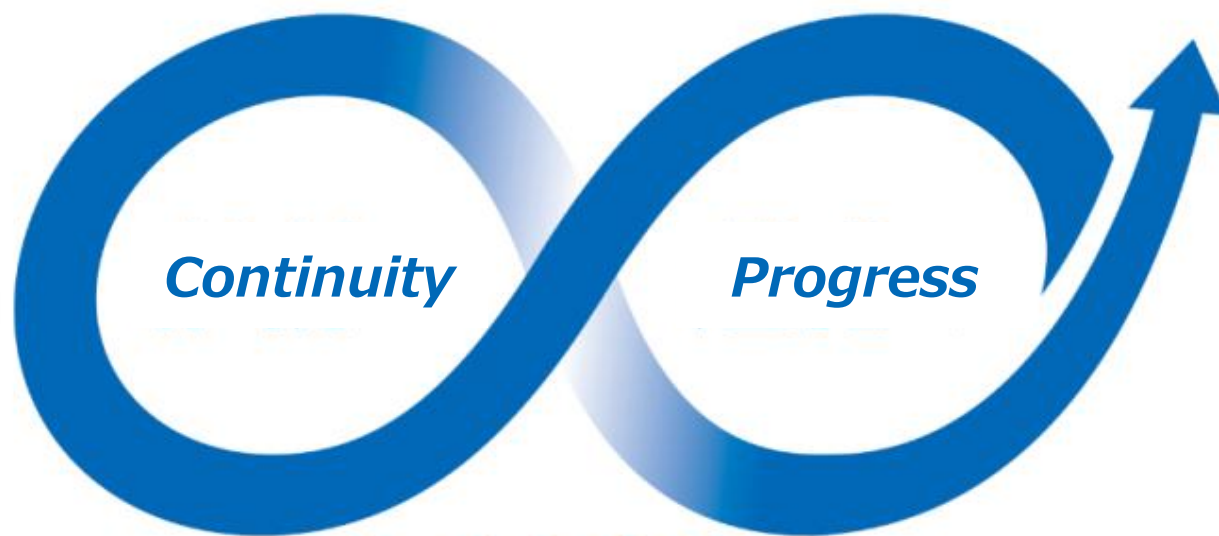


Revision of the JR-West Group Medium-Term Management Plan 2022 and Results for the First Half of the Fiscal Year Ending March 31, 2021



Making Our Vision into Reality

November 2, 2020
West Japan Railway Company

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Financial Highlights

¥ Billions

	6 months ended Sep 30,2019	6 months ended Sep 30,2020	YoY		Results FY2020.3	Forecasts FY2021.3 As of Oct 30*	YoY	
			Increase/ (Decrease) B-A	% B/A-1			Increase/ (Decrease) D-C	% D/C-1
【Consolidated】	A	B			C	D		
Operating Revenues	762.0	389.9	(372.0)	(48.8)	1,508.2	920.0	(588.2)	(39.0)
Operating Income (Loss)	128.8	(144.7)	(273.6)	—	160.6	(290.0)	(450.6)	—
Recurring Profit (Loss)	121.6	(154.3)	(275.9)	—	148.3	(305.0)	(453.3)	—
Profit (Loss) attributable to owners of parent	80.4	(128.1)	(208.5)	—	89.3	(240.0)	(329.3)	—
【Non-Consolidated】								
Operating Revenues	504.4	226.5	(277.9)	(55.1)	961.9	530.0	(431.9)	(44.9)
Transportation Revenues	452.9	182.5	(270.4)	(59.7)	856.8	435.0	(421.8)	(49.2)
Operating Expenses	394.4	355.4	(38.9)	(9.9)	842.1	790.0	(52.1)	(6.2)
Personnel costs	107.5	92.3	(15.1)	(14.1)	214.6	209.0	(5.6)	(2.7)
Non personnel costs	184.8	162.9	(21.8)	(11.8)	424.3	377.0	(47.3)	(11.2)
Energy costs	23.5	20.7	(2.8)	(12.0)	45.4	42.0	(3.4)	(7.7)
Maintenance costs	64.2	62.4	(1.7)	(2.8)	166.4	150.0	(16.4)	(9.9)
Miscellaneous costs	97.0	79.8	(17.2)	(17.7)	212.4	185.0	(27.4)	(12.9)
Depreciation	66.9	67.9	0.9	1.5	138.2	142.0	3.7	2.7
Operating Income (Loss)	110.0	(128.9)	(238.9)	—	119.7	(260.0)	(379.7)	—
Recurring Profit (Loss)	102.9	(139.3)	(242.2)	—	106.9	(275.0)	(381.9)	—
Net Income (Loss)	70.5	(99.7)	(170.3)	—	73.5	(195.0)	(268.5)	—

Note: Figures in bracket () are negative values.

* Forecasts has not been revised since September 16, 2020.

Non-Consolidated Financial Results and Forecasts

¥ Billions

	6 months ended Sep 30, 2019	6 months ended Sep 30, 2020	YoY		Results FY2020.3	Forecasts FY2021.3 As of Oct 30*	YoY	
			Increase/ (Decrease) B-A	% B/A-1			Increase/ (Decrease) D-C	% D/C-1
Operating Revenues	504.4	226.5	(277.9)	(55.1)	961.9	530.0	(431.9)	(44.9)
Transportation revenues	452.9	182.5	(270.4)	(59.7)	856.8	435.0	(421.8)	(49.2)
Other	51.4	43.9	(7.4)	(14.5)	105.0	95.0	(10.0)	(9.6)
Operating Expenses	394.4	355.4	(38.9)	(9.9)	842.1	790.0	(52.1)	(6.2)
Personnel costs	107.5	92.3	(15.1)	(14.1)	214.6	209.0	(5.6)	(2.7)
Non personnel costs	184.8	162.9	(21.8)	(11.8)	424.3	377.0	(47.3)	(11.2)
Energy costs	23.5	20.7	(2.8)	(12.0)	45.4	42.0	(3.4)	(7.7)
Maintenance costs	64.2	62.4	(1.7)	(2.8)	166.4	150.0	(16.4)	(9.9)
Miscellaneous costs	97.0	79.8	(17.2)	(17.7)	212.4	185.0	(27.4)	(12.9)
Rental payments, etc.	14.0	13.6	(0.4)	(3.1)	28.4	28.0	(0.4)	(1.5)
Taxes	21.0	18.5	(2.5)	(11.9)	36.4	34.0	(2.4)	(6.7)
Depreciation	66.9	67.9	0.9	1.5	138.2	142.0	3.7	2.7
Operating Income (Loss)	110.0	(128.9)	(238.9)	—	119.7	(260.0)	(379.7)	—
Non-operating revenues and expenses	(7.1)	(10.3)	(3.2)	45.9	(12.7)	(15.0)	(2.2)	17.3
Non-operating revenues	2.7	2.3	(0.3)	—	7.5	7.0	(0.5)	—
Non-operating expenses	9.8	12.7	2.8	—	20.3	22.0	1.6	—
Recurring Profit (Loss)	102.9	(139.3)	(242.2)	—	106.9	(275.0)	(381.9)	—
Extraordinary profit and loss, net	(1.6)	(3.3)	(1.7)	—	(1.1)	(5.0)	(3.8)	—
Extraordinary profit	3.3	5.0	1.6	—	20.9	—	—	—
Extraordinary loss	5.0	8.4	3.4	—	22.1	—	—	—
Net Income (Loss)	70.5	(99.7)	(170.3)	—	73.5	(195.0)	(268.5)	—

Note: Figures in bracket () are negative values.

* Forecasts has not been revised since September 16, 2020.

Major Factors of Increase/Decrease in Transportation Revenues

¥ Billions

Results for 6 months ended Sep 30, 2020					
Transportation revenues		YoY Increase/(Decrease)		Major factors	
		Amount	%		Amount
Shinkansen	65.9	(169.4)	(72.0)	Fundamental trend 0.0%	
				Special factors	
				• COVID-19 (Domestic)	(157.2)
				• Inbound	(8.6)
				• Rebound from pattern of weekdays and weekends (Golden Week)	(3.4)
				• Rebound from G20	(0.1)
				etc.	
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	89.9	(71.1)	(44.1)	Fundamental trend 0.0%	
				Special factors	
				• COVID-19 (Domestic)	(63.3)
				• Inbound	(7.0)
				• Rebound from pattern of weekdays and weekends (Golden Week)	(0.5)
				• Rebound from G20	(0.1)
				etc.	
Other lines	26.6	(29.8)	(52.9)	Fundamental trend 0.0%	
				Special factors	
				• COVID-19 (Domestic)	(27.6)
				• Inbound	(1.6)
				• Rebound from pattern of weekdays and weekends (Golden Week)	(0.4)
				• Rebound from G20	(0.1)
				etc.	
Conventional lines	116.6	(100.9)	(46.4)		
Total	182.5	(270.4)	(59.7)		

Note1: Revenues from luggage transportation are omitted due to the small amount.

Note2: The decline in transportation revenues attributable to the spread of the novel coronavirus infection (6 months ended September 30, 2020) is ¥265.5 billion, including the decline in inbound demand.

Note3: Figures in brackets () are negative values.

Transportation Revenues and Passenger-Kilometers Results and Forecasts

Transportation Revenues

¥ Billions

Passenger-Kilometers

Millions of passenger-kilometers

	Results for 6 months ended Sep 30 (4/1~9/30)			3 months (2Q) (7/1~9/30)			FY2020.3 Results	FY2021.3 Forecasts As of Oct 30*	YoY	Results for 6 months ended Sep 30 (4/1~9/30)			3 months (2Q) (7/1~9/30)		
	FY2020.3	FY2021.3	YoY	FY2020.3	FY2021.3	YoY				FY2020.3	FY2021.3	YoY	FY2020.3	FY2021.3	YoY
Total	452.9	182.5	(270.4) (59.7%)	229.6	110.3	(119.2) (51.9%)	856.8	435.0	(421.8) (49.2%)	30,984	15,849	(15,135) (48.8%)	15,824	9,033	(6,791) (42.9%)
Shinkansen	235.3	65.9	(169.4) (72.0%)	120.3	43.3	(76.9) (64.0%)	441.2	170.0	(271.2) (61.5%)	10,976	3,028	(7,947) (72.4%)	5,630	1,986	(3,644) (64.7%)
Commuter Passes	5.7	5.1	(0.5) (10.2%)	2.8	2.5	(0.2) (9.9%)	11.4	—	—	468	399	(69) (14.8%)	240	201	(38) (16.1%)
Non-Commuter Passes	229.6	60.7	(168.8) (73.5%)	117.4	40.7	(76.7) (65.3%)	429.8	—	—	10,507	2,629	(7,878) (75.0%)	5,390	1,784	(3,605) (66.9%)
Conventional Lines	217.6	116.6	(100.9) (46.4%)	109.3	67.0	(42.2) (38.7%)	415.6	265.0	(150.6) (36.2%)	20,008	12,820	(7,187) (35.9%)	10,194	7,046	(3,147) (30.9%)
Commuter Passes	72.0	58.4	(13.5) (18.8%)	36.0	30.4	(5.5) (15.4%)	142.0	—	—	12,037	9,667	(2,369) (19.7%)	6,099	5,035	(1,063) (17.4%)
Non-Commuter Passes	145.5	58.1	(87.4) (60.1%)	73.3	36.5	(36.7) (50.1%)	273.6	—	—	7,971	3,152	(4,818) (60.4%)	4,094	2,010	(2,083) (50.9%)
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	161.1	89.9	(71.1) (44.1%)	80.2	51.2	(29.0) (36.2%)	307.5	206.0	(101.5) (33.0%)	15,642	10,151	(5,490) (35.1%)	7,917	5,563	(2,354) (29.7%)
Commuter Passes	59.4	47.8	(11.5) (19.5%)	29.6	24.8	(4.8) (16.2%)	117.2	—	—	9,891	7,820	(2,071) (20.9%)	5,011	4,082	(929) (18.6%)
Non-Commuter Passes	101.7	42.1	(59.5) (58.6%)	50.5	26.3	(24.2) (47.9%)	190.2	—	—	5,750	2,331	(3,419) (59.5%)	2,905	1,481	(1,424) (49.0%)
Other Lines	56.4	26.6	(29.8) (52.9%)	29.0	15.8	(13.2) (45.6%)	108.1	59.0	(49.1) (45.4%)	4,366	2,669	(1,697) (38.9%)	2,276	1,483	(793) (34.8%)
Commuter Passes	12.6	10.6	(1.9) (15.6%)	6.3	5.5	(0.7) (11.5%)	24.7	—	—	2,145	1,847	(297) (13.9%)	1,087	953	(133) (12.3%)
Non-Commuter Passes	43.8	15.9	(27.8) (63.6%)	22.7	10.2	(12.5) (55.0%)	83.4	—	—	2,221	821	(1,399) (63.0%)	1,188	529	(659) (55.5%)

Note: Figures in bracket () are negative values.

* Forecasts has not been revised since September 16, 2020.

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

¥ Billions

	Results for 6 months ended Sep 30, 2020			
		YoY		Major factors (YoY)
		Increase/ (Decrease)	%	
Personnel costs	92.3	(15.1)	(14.1)	<ul style="list-style-type: none"> • Decrease in bonus • Decrease in overtime payments, etc.
Energy costs	20.7	(2.8)	(12.0)	<ul style="list-style-type: none"> • Decrease in passenger car-kilometer due to certain operational suspensions • Decrease in adjustment amount for fuel cost, etc.
Maintenance costs	62.4	(1.7)	(2.8)	<ul style="list-style-type: none"> • Decrease in capex-related removal work, etc.
Miscellaneous costs	79.8	(17.2)	(17.7)	<ul style="list-style-type: none"> • Decrease in sales commissions • Decrease in advertising expenses, etc.
Rental Payments, etc	13.6	(0.4)	(3.1)	<ul style="list-style-type: none"> • Kansai-airport line, etc.
Taxes	18.5	(2.5)	(11.9)	<ul style="list-style-type: none"> • Decrease in business tax on corporations, etc.
Depreciation and amortization	67.9	0.9	1.5	<ul style="list-style-type: none"> • Full-year effect of new assets in operation during FY2020.3, etc.
Total	355.4	(38.9)	(9.9)	

Note: Figures in brackets () are negative values.

Consolidated Financial Results and Forecasts

¥ Billions

	6 months ended Sep 30,2019	6 months ended Sep 30,2020	YoY		Results FY2020.3	Forecasts FY2021.3 As of Oct 30*	YoY	
			Increase/ (Decrease) B-A	% B/A-1			Increase/ (Decrease) D-C	% D/C-1
	A	B			C	D		
Operating Revenues	762.0	389.9	(372.0)	(48.8)	1,508.2	920.0	(588.2)	(39.0)
Operating Expenses	633.1	534.7	(98.4)	(15.6)	1,347.5	1,210.0	(137.5)	(10.2)
Operating Income (Loss)	128.8	(144.7)	(273.6)	—	160.6	(290.0)	(450.6)	—
Non-operating revenues and expenses	(7.2)	(9.5)	(2.3)	32.5	(12.2)	(15.0)	(2.7)	22.2
Non-operating revenues	2.9	3.5	0.5	—	8.8	10.0	1.1	—
Non-operating expenses	10.2	13.0	2.8	—	21.1	25.0	3.8	—
Recurring Profit (Loss)	121.6	(154.3)	(275.9)	—	148.3	(305.0)	(453.3)	—
Extraordinary profit and loss, net	(2.4)	(9.0)	(6.6)	—	(7.6)	(10.0)	(2.3)	—
Extraordinary profit	3.9	7.5	3.6	—	23.0	—	—	—
Extraordinary loss	6.3	16.6	10.2	—	30.7	—	—	—
Profit (Loss) attributable to owners of parent	80.4	(128.1)	(208.5)	—	89.3	(240.0)	(329.3)	—
Comprehensive Income	81.6	(133.3)	(214.9)	—	87.0	—	—	—

Note: Figures in bracket () are negative values.

* Forecasts has not been revised since September 16, 2020.

Consolidated Financial Results and Forecasts (Segment Information)

¥ Billions

	6 months ended Sep 30, 2019	6 months ended Sep 30, 2020	YoY		Results FY2020.3	Forecasts FY2021.3 As of Oct 30 ^{*1}	YoY	
			Increase/ (Decrease) B-A	% B/A-1			Increase/ (Decrease) D-C	% D/C-1
Operating Revenues^{*2}	762.0	389.9	(372.0)	(48.8)	1,508.2	920.0	(588.2)	(39.0)
Transportation	491.0	210.2	(280.7)	(57.2)	933.4	499.0	(434.4)	(46.5)
Retail	116.5	61.3	(55.2)	(47.4)	226.0	144.0	(82.0)	(36.3)
Sales of goods and food services	80.4	40.3	(40.0)	(49.9)	154.2	92.0	(62.2)	(40.4)
[Accommodation-oriented budget hotels](restated) ^{*3}	[7.6]	[1.5]	[(6.0)]	[(79.2)]	[14.6]	[5.5]	[(9.1)]	[(62.5)]
Department Stores	31.8	16.9	(14.9)	(46.8)	63.2	45.0	(18.2)	(28.9)
Real estate	74.0	65.5	(8.5)	(11.5)	165.1	146.0	(19.1)	(11.6)
Shopping center	30.8	19.6	(11.2)	(36.4)	61.1	47.0	(14.1)	(23.1)
Real estate lease and sale	42.3	44.7	2.3	5.7	102.1	97.0	(5.1)	(5.1)
[Real estate sale](restated)	[18.2]	[20.5]	[2.2]	[12.6]	[53.6]	[48.0]	[(5.6)]	[(10.6)]
Other businesses	80.3	52.7	(27.5)	(34.3)	183.6	131.0	(52.6)	(28.7)
Hotel	19.4	5.6	(13.8)	(71.1)	37.3	18.0	(19.3)	(51.8)
Nippon Travel Agency	19.8	7.1	(12.6)	(63.9)	42.3	17.0	(25.3)	(59.9)
Operating Income (Loss)^{*2}	128.8	(144.7)	(273.6)	—	160.6	(290.0)	(450.6)	—
Transportation	103.1	(138.7)	(241.8)	—	105.3	(276.0)	(381.3)	—
Retail	3.1	(9.9)	(13.0)	—	3.8	(16.0)	(19.8)	—
Sales of goods and food services	2.6	(8.3)	(11.0)	—	3.4	(14.0)	(17.4)	—
Department stores	0.1	(1.5)	(1.6)	—	0.2	(2.0)	(2.2)	—
Real estate	19.1	15.0	(4.1)	(21.4)	34.9	25.0	(9.9)	(28.4)
Shopping center	4.5	0.1	(4.4)	(97.8)	7.5	0.0	(7.5)	—
Real estate lease and sale	10.6	10.6	0.0	0.0	19.8	17.0	(2.8)	(14.4)
Other businesses	2.3	(10.8)	(13.1)	—	19.7	(20.0)	(39.7)	—
Hotel	(0.1)	(6.6)	(6.5)	—	(1.2)	(12.0)	(10.7)	—
Nippon Travel Agency	0.0	(4.9)	(5.0)	—	1.0	(14.0)	(15.0)	—

Note: Figures in bracket () are negative values.

*1 Forecasts has not been revised since September 16, 2020.

*2 The breakdowns of operating revenues and operating income (loss) by each segment are the sums of those of major subsidiaries.

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

Major Factors of Increase/Decrease in Each Segment

¥ Billions

			Results for 6 months ended Sep 30, 2020			
				YoY		Major factors (YoY)
				Increase/ (Decrease)	%	
Retail	Sales of goods and food services	Operating Revenues	40.3	(40.0)	(49.9)	•COVID-19, etc.
		Operating Loss	(8.3)	(11.0)	—	
	Department stores	Operating Revenues	16.9	(14.9)	(46.8)	
		Operating Loss	(1.5)	(1.6)	—	
Real estate	Shopping center	Operating Revenues	19.6	(11.2)	(36.4)	•COVID-19, etc.
		Operating Income	0.1	(4.4)	(97.8)	
	Real estate lease and sale	Operating Revenues	44.7	2.3	5.7	•Increase in number of residences sold, etc.
		Operating Income	10.6	0.0	0.0	
Other Businesses	Hotel	Operating Revenues	5.6	(13.8)	(71.1)	•COVID-19, etc.
		Operating Loss	(6.6)	(6.5)	—	
	Nippon travel agency	Operating Revenues	7.1	(12.6)	(63.9)	
		Operating Loss	(4.9)	(5.0)	—	

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

¥ Billions

	As of Mar 31, 2020 A	As of Sep 30, 2020 B	Difference increase/ (decrease) B-A
Assets	3,275.2	3,504.9	229.7
Liabilities	2,052.1	2,432.2	380.0
Net assets	1,223.1	1,072.7	(150.3)
Balance of Long-term Debt and Payables	1,018.9	1,502.2	483.2
【Average interest rate (%)】	【1.79】	【1.32】	【(0.47)】
Shinkansen Purchase Liability	101.9	101.4	(0.5)
【Average interest rate (%)】	【6.55】	【6.55】	【-】
Bonds	544.9	819.9	275.0
【Average interest rate (%)】	【1.48】	【1.12】	【(0.36)】
Equity ratio (%)	34.1	27.7	(6.4)
Net assets per share (¥)	5,847.27	5,071.54	(775.73)
	6 months ended Sep 30,2019 A	6 months ended Sep 30,2020 B	YoY increase/ (decrease) B-A
Cash flows from operating activities	107.8	(141.2)	(249.0)
Cash flows from investing activities	(93.3)	(99.0)	(5.6)
Free cash flows	14.4	(240.2)	(254.7)
Cash flows from financing activities	(56.5)	470.3	526.9
Change in cash and cash equivalents, net	(42.7)	230.0	272.8
Cash and cash equivalents at the end of the period	93.7	308.3	214.5

Note: Figures in bracket () are negative values.

Other Data

Persons, ¥ Billions

	6 months ended Sep 30, 2019	6 months ended Sep 30,2020	Results FY2020.3	Forecasts FY2021.3 As of Oct 30
ROA (% , Consolidated)	4.0	—	4.9	—
ROE (% , Consolidated)	7.3	—	8.1	—
EBITDA (Consolidated) *2	211.9	(60.6)	332.2	(112.0)
Depreciation (Consolidated)	82.4	83.5	170.4	177.0
Capital Expenditures (Consolidated, own fund)	77.0	83.5	254.5	230.0
Capital Expenditures (Non-consolidated, own fund)	48.3	56.6	176.2	170.0
Safety-related capital expenditures	30.0	32.0	116.1	100.0
Dividends per share (¥)	95.0	50.0	182.5	100.0

	6 months ended Sep 30, 2019		6 months ended Sep 30,2020		Results FY2020.3		Forecasts FY2021.3 As of Oct 30 *1	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	48,596	24,526	48,625	24,075	48,323	24,439	—	—
Financial Expenses, net	(9.3)	(7.5)	(9.5)	(8.2)	(18.2)	(16.7)	(19.0)	(17.5)
Interest and dividend income	0.3	2.1	0.4	1.6	1.2	2.6	1.0	2.5
Interest expenses	9.7	9.7	9.9	9.9	19.4	19.3	20.0	20.0

Note: Figures in bracket () are negative values.

*1 Forecasts has not been revised since September 16, 2020.

*2 EBITDA = Operating Income (Loss) + Depreciation + Amortization of goodwill

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

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Appendix

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Key Points of the Revision of the Medium-Term Management Plan 2022: Executive Summary

Operating Environment Changes and Assumptions

- ✓ Dramatic changes in the external environment due to the spread of the novel coronavirus infection (changes in behavior, such as telework and online meetings; diversification of values)
- ✓ Future that occurred rapidly, things about the future that cannot be predicted
- ✓ We are assuming transportation revenues, our mainstay, will return only to **approximately 90% of the level before the coronavirus**.
- ✓ Focusing on the circumstances regarding the resolution of the coronavirus situation. **Flexibly adding revisions** to the medium-term management plan

Direction of revisions

- ✓ Indication of **our future direction**, with consideration for our understanding of current circumstances, in which we cannot predict the details of the changes in society in the period after the coronavirus. (The period until the next medium-term management plan (FY2028.3) has been positioned as a time for reform and restoration.)
- ✓ Reconfirmation of our **“unchanging values” and the “meaning of the JR West Group’s existence,”** even in the midst of change.
- ✓ On that basis, our understanding of **“things that we will change,”** with the assumptions that the financial position will worsen and that usage will not return to the previous status.

Unchanging values / meaning of the JR West Group's existence	Things that we will change
<ul style="list-style-type: none">• Three pillars of management• Realizing our vision (contributing to the creation of a safe, comfortable society filled with meetings among people and smiles)	<ul style="list-style-type: none">• Strengthening management (restoring cash generating capability and financial foundation through structural reform and focused initiatives)• Enhancing our ability to address change

Four Axes (taking the initiative)

- (1) **Enhancing safety**, with the Fukuchiyama Line accident as the starting point
- (2) **Enhancing coexistence with local communities** and taking on the challenge of **creating new value**
- (3) Strengthening management (**structural reform and focused initiatives**)
- (4) Reforming the Company to enhance our **ability to address change**

Unchanging values / meaning of the JR West Group's existence

Unchanging values / meaning of the JR West Group's existence / things that we will change

Things that we will change

Things that we will change

Financial strategies Capital expenditure Returns to shareholders

- ✓ Aiming to **reform financial foundation** with a focus on the period up to the next medium-term management plan (~FY2028.3)
- ✓ Reevaluating basic policy regarding **priorities for the use of cash over the medium to long term**
(1) Safety investment, (2) debt reduction, growth investment, shareholder return
*Considering once again in conjunction with specific plan formulated with next medium-term management plan)
- ✓ **Capital investment** during **the current medium-term management plan: Cumulative total of ¥1,250.0 billion over five years**
- ✓ **Shareholder return** during **the current medium-term management plan:** Maintaining policy of stable dividends, aiming for a **dividend payout ratio of approximately 35% in FY2023.3**

Things that are certain about the future

- Population decline in Japan
- Intensification of natural disasters
- Increase in safety needs

Growth opportunities

- Osaka/Kansai EXPO, Yumeshima city development
- Increased attention given to local regions, such as the Hokuriku Shinkansen Tsuruga extension opening and the Setouchi Area, etc.

Expansion of the novel coronavirus infection

- Rapid decline in results due to sudden decrease in domestic and inbound demand
- Decline in management strength due to increase in interest-bearing debt

Future that occurred rapidly / Things about the future that cannot be predicted

- Expanding of digital space through the use of ICT tools
- Diversification of working styles, lifestyles; changes in values
- Reconfirmation of threat from new infectious diseases
- Changes in market structure accompanying transformation of customer behavior (usage will not return to the previous pattern)

Even in the midst of change, reconfirmation of our “unchanging values” and the “meaning of the JR West Group’s existence,” and “things that we will change”

Unchanging values / meaning of the JR West Group's existence

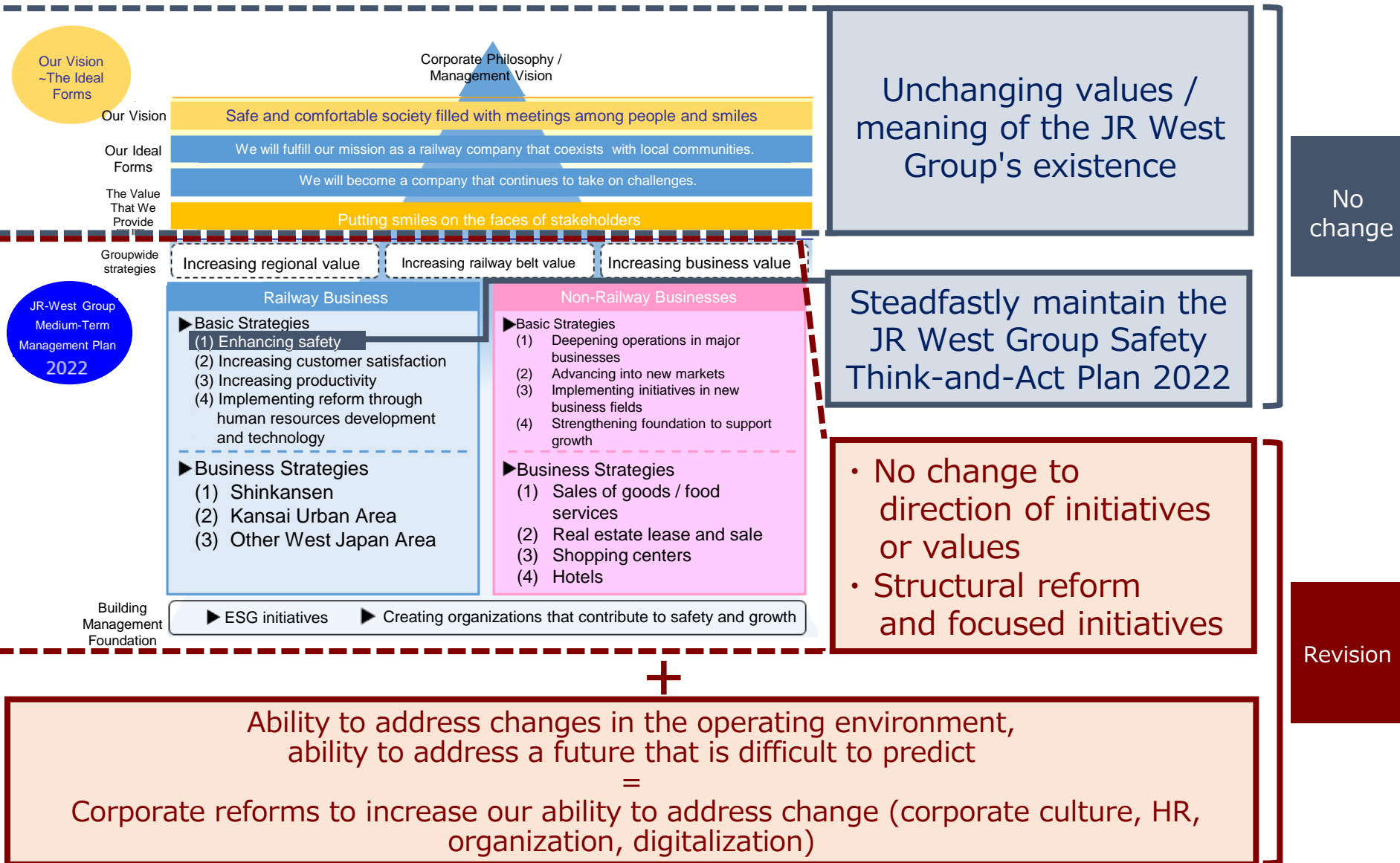
Unchanging determination to “ensure that we will never again cause an accident such as that on the Fukuchiyama Line”
--> “Three pillars of management” as the ongoing highest priority

The importance of connections has been reconfirmed by the stress resulting from the restrictions on connections among people due to the coronavirus crisis.
--> Greater importance on the realization of Our Vision: “contributing to the creation of a safe, comfortable society filled with meetings among people and smiles”

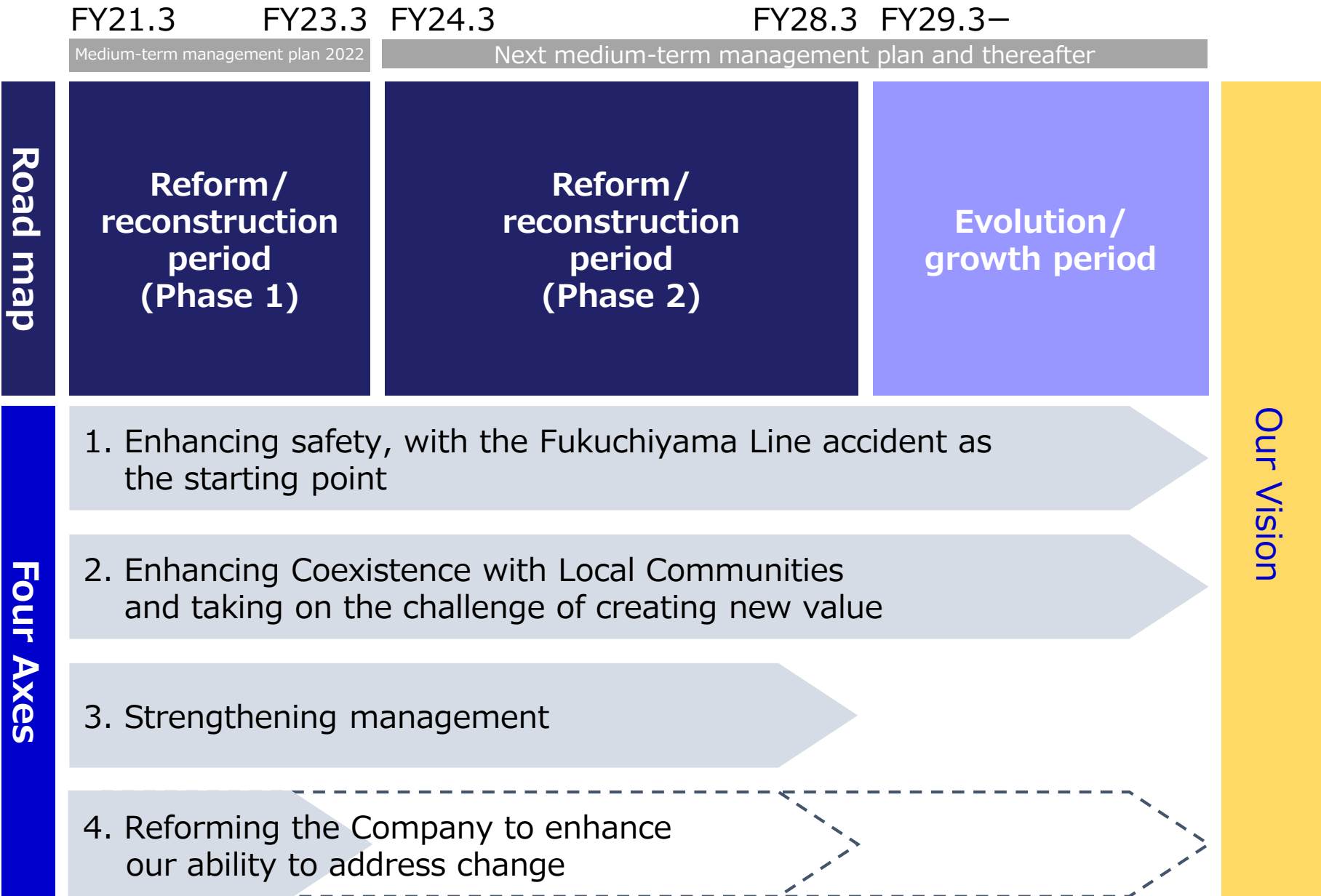
Things that we will change

- Strengthening management
 - Restoring our cash generating capability through structural reform
 - Restoring our financial foundation through focused initiatives
- Enhancing our ability to address change for a future that is difficult to predict

JR West Group's strategic framework



Road map for management reconstruction and business structure reform, four strategic axes



**(1) Enhancing safety,
with the Fukuchiyama Line accident as the starting point**

We will work to further enhance safety by positioning safety as the highest priority strategy, establishing “frameworks for securing safety on a Companywide basis” and a “corporate culture in which safety is the highest priority,” and advancing safety measures through combinations of tangible and intangible elements.

Building frameworks for securing safety on a Companywide basis and establishing a corporate culture in which safety is the highest priority.

- Highlighting and reviewing the lessons learned from the safety initiatives implemented after the Fukuchiyama Line accident, and advancing measures linked to the think-and-act initiatives of each individual.
- Establishing support tools, etc., for the realization of a corporate culture of "actively thinking, learning, introducing, and trying."



<Risk identification using support tools>

Safety measures for crossings and platforms

- Introducing testing of systems that support detection of special signal light emitters
- Developing safety devices for type 4 crossings
- Enhancing safety confirmation methods used by train crew on platforms (L-space confirmation, etc.)

Railway labor accident countermeasures

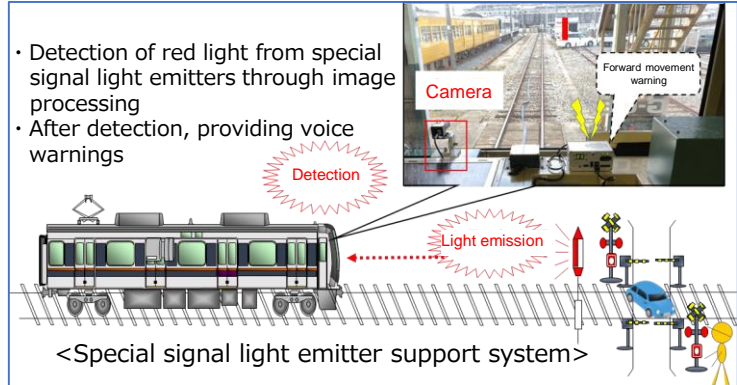
- Reducing on-track inspections through data measurement on rolling stock

**Natural disaster countermeasures
(disaster prevention / damage reduction)**

- Using radar to track amount of rainfall to address localized heavy rain
- Implementing measures that take into account flooding at rolling stock bases

Measures to prevent the spread of the novel coronavirus infection

- Anti-viral and anti-bacterial processing in stations and on trains
- Installing air cleaners on limited express railcars
- Providing real-time, detailed information to contribute to the avoidance of congestion



<Anti-bacterial measures on trains>

(2) Enhancing Coexistence with Local Communities:
Improving the Wide-Area Railway Network, Centered on the Shinkansen

We will aim expand usage by building communities that people want to visit and live in, and by creating new value. In addition, we will further enhance the strengths of wide-area railway networks, centered on the Shinkansen, and provide safe, comfortable mobility spaces.

Enhancing the convenience of the Sanyo Shinkansen

- Adding 4 sets of N700S railcars



Increasing convenience for customers

- Expanding ticketless service
 - Hokuriku Shinkansen e-ticket service
 - Expanding EX service to the Kyushu Shinkansen
- Expanding digital touchpoints
 - WESTER
 - setowa



Opening of Hokuriku Shinkansen Tsuruga extension

- Adding 11 sets of W7 railcars for the opening



Strengthening feeder transport from the Shinkansen

- New Yakumo rolling stock

Hokuriku Area

Developing tourist attractions and implementing development in the areas surrounding stations through collaboration with local communities for the opening of the Hokuriku Shinkansen Tsuruga extension

North of Kansai Urban Area

Communicating regional appeal using TWILIGHT EXPRESS MIZUKAZE and WEST EXPRESS Ginga

Sanin Area

Setouchi Area

Proposing lifestyles and working styles that address social changes



Creating appeal for the western Japan area

Establishing Kansai metropolitan area brand

Nanki Area

Communicating regional appeal using railways, proposing diverse lifestyles and working styles

Kyushu Shinkansen



Kyushu Area

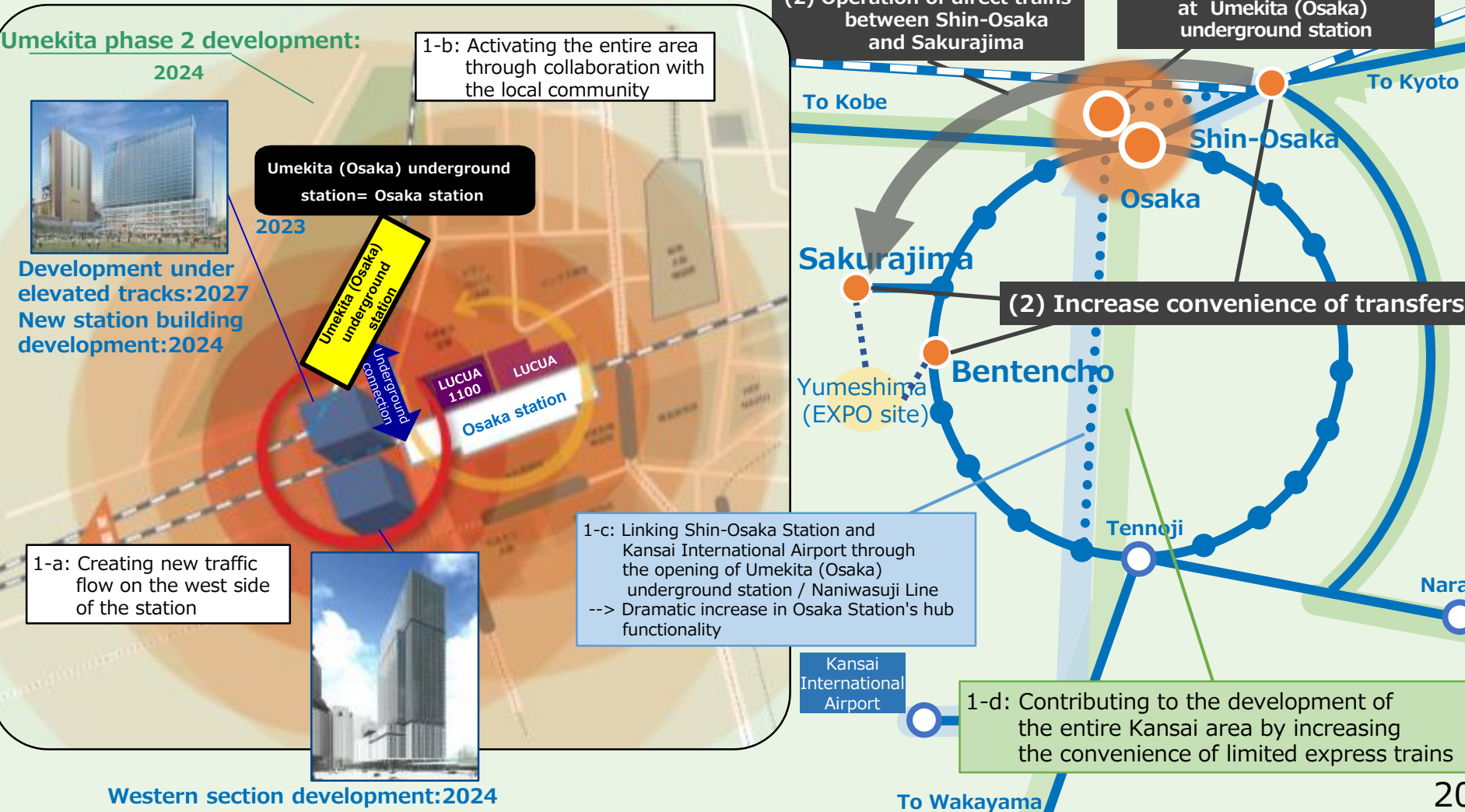
Full opening of the Hokuriku Shinkansen

Chuo Shinkansen (Maglev)

(2) Enhancing Coexistence with Local Communities:
Establishing Kansai Metropolitan Area Brand

- (1) Advancing “city development starting from stations,” beginning with Osaka Station, our largest terminal station, while addressing changes in the operating environment
- (2) Leveraging the opportunities presented by the Osaka/Kansai EXPO to enhance the convenience of the railway network in the Kansai metropolitan area

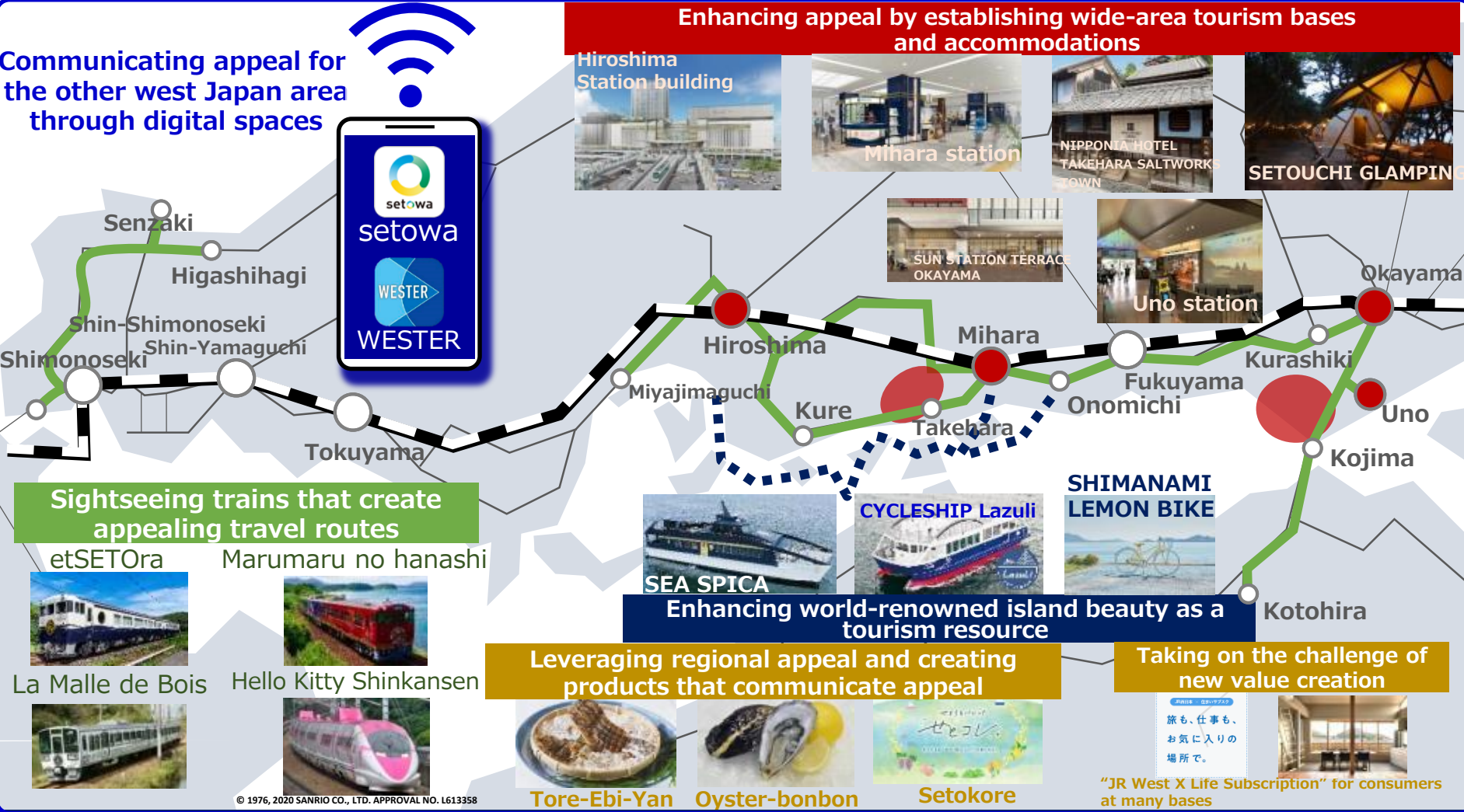
Contributing to the development of the Kansai Area



(2) Enhancing Coexistence with Local Communities:
Communicating appeal and creating appeal for the other west Japan area

With the railway business, non-railway businesses, and local communities working together, we will roll-out content and promotions. Through these measures, we will take steps to enhance the wide-area tourism region and implement city development initiatives, centered on core regional cities. In these ways, we will work to create appeal for the other west Japan area and to expand visitor and related populations.

■ Example of initiatives (Setouchi Palette Project, etc.)



Creating area appeal X Communicating appeal through digital spaces
--> Expanding visitor and related populations and population in the other west Japan area

Enhancing Coexistence with Local Communities (focused initiatives)

New value creation

Cost structure reform (reducing fixed costs)

Railway Business

Non-Railway Businesses

Building communities that people want to visit and live in
(enhancing regional value / railway belt value)

- Enhancing wide-area railway networks, centered on the Shinkansen (--> page 19)
- Creating lifestyle services with close ties to local communities

Establishing Kansai Metropolitan Area Brand (--> page 20)

Creating appeal for the western Japan area: Setouchi Palette Project, etc. (--> page 21)

- Identifying and achieving the optimal regional transportation system
 - We will work together with local communities to identify new transportation systems that are sustainable, while leveraging capabilities in innovation.
- Implementing sustainable city-development initiatives by diversifying business schemes and participating in collaborative enterprises and redevelopment projects
- Advancing the development of commercial facilities with close ties to lifestyles

Creating convenient, appealing mobility and lifestyle services that are aligned with individual customer needs

(ICOCA, MaaS, seamless cooperation with Internet reservation services, sharing of memberships/points, effectively using data, etc.)

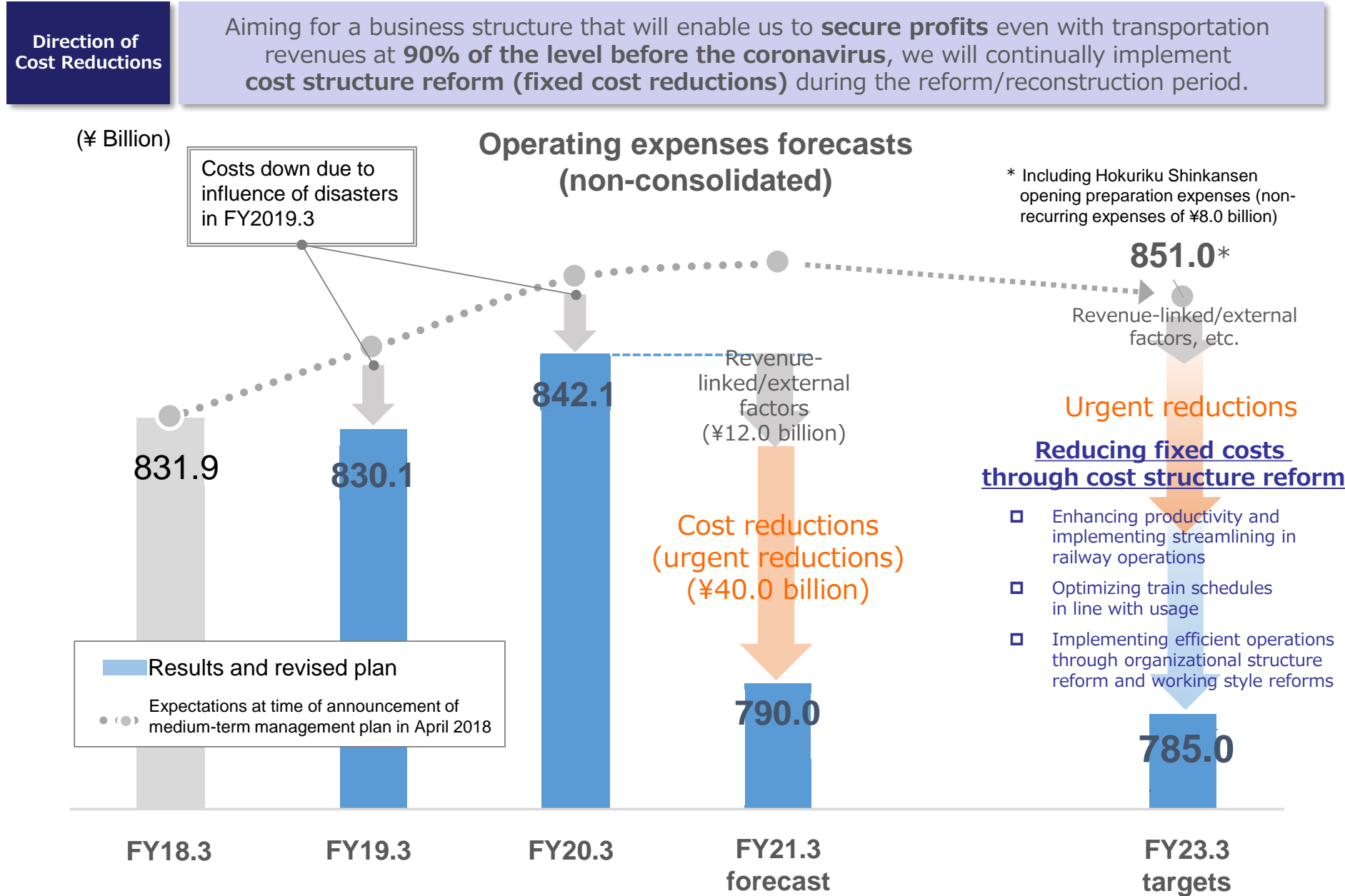
Providing services to address new needs

("JR West X Life Subscription," opening up markets for teleworking/workation bases, etc.)

- Enhancing productivity* and implementing streamlining in railway operations
(* Maintenance system change centered on the establishment of CBM, revising station sales systems, etc.)
- Optimizing train schedules in line with usage
- Implementing efficient operations through organizational structure reform and working style reforms

--> page 23

- Rapidly reevaluating business portfolio
(Implementing withdrawals, exchanges, and reductions at unprofitable stores; implementing asset recombinations, etc.)
- Increasing efficiency by reevaluating business processes
(Thoroughly reevaluating operating systems/costs, etc.)



(4) Corporate Reforms to Enhance Our Ability to Address Change:
The JR West Group's Digital Strategy

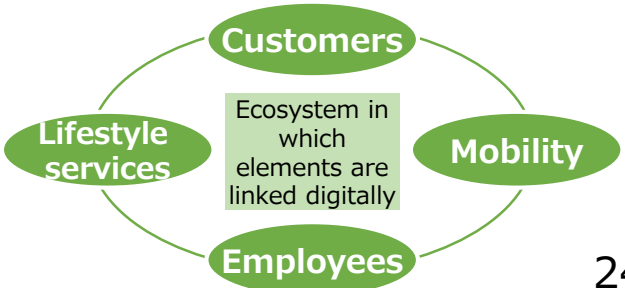
Through digital technologies, we will effectively utilize the abundant data held by the Group, and we will offer connections to real experiences in stations and stores as well as in local communities. In this way, we will continue to create and provide new value, contribute to the activation of the western Japan area, and advance corporate reforms through those processes.

<Digital strategy pillars ~ 3 things to be rebuilt ~>

Effectively using digital technologies and Group data (Enhancing data usage platform, etc.)	Unifying the Group / Collaborating with external partners (Membership / Point sharing)	Ability to address change / Ability to foster innovation (Culture X Organization/Framework X Human resources)
(1) Rebuilding the customer experience (Determining the best approach to services that address customer needs)	■ Unifying all of the JR-West Group's services, collaborating with external partners --> Continually providing new value in line with the needs of individual customers --> Enhancing services with MaaS apps (WESTER, setowa), mobile ICOCA (provisional name), e5489, etc. See page 25	
(2) Rebuilding railway systems (Realizing the Technology Vision)	■ Building sustainable railway systems, pursuing further safety enhancement / stable transportation --> Taking on the challenges of operational reform and maintenance system change (CBM) See page 25	
(3) Rebuilding the employee experience (Working-style reform)	■ Advancing digitalization/ICT usage in the working environment --> Employee working style reforms (enhancing motivation, creating frameworks that generate results in an efficient, high-frequency manner)	

<Our Vision for the JR-West Group's Digital Strategy>

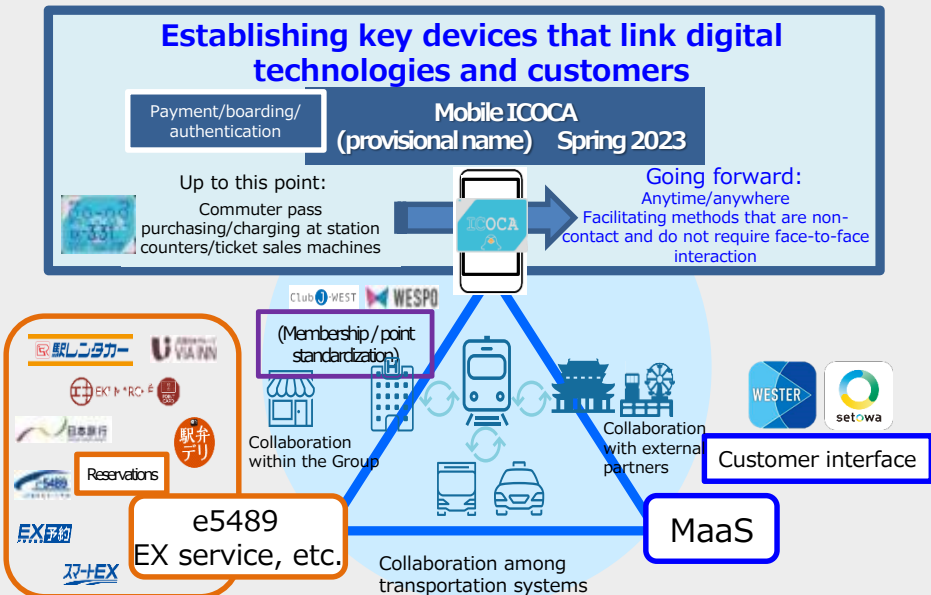
Realizing a safe, comfortable society filled with connections among people and smiles by creating new value through the use of digital technology to link the Group with external partners



Rebuilding the customer experience

(Determining the best approach to services that address customer needs)

- Using digital technologies to provide seamless mobility and lifestyle services that address individual needs



- Taking on the challenge of the stations of the future, which combine real (station) and digital elements

- Giving shape to the Technology Vision at Umekita (Osaka) underground station



World-first type of platform doors



Ticket checking equipment that uses facial recognition



AI guidance robot

Rebuilding railway systems

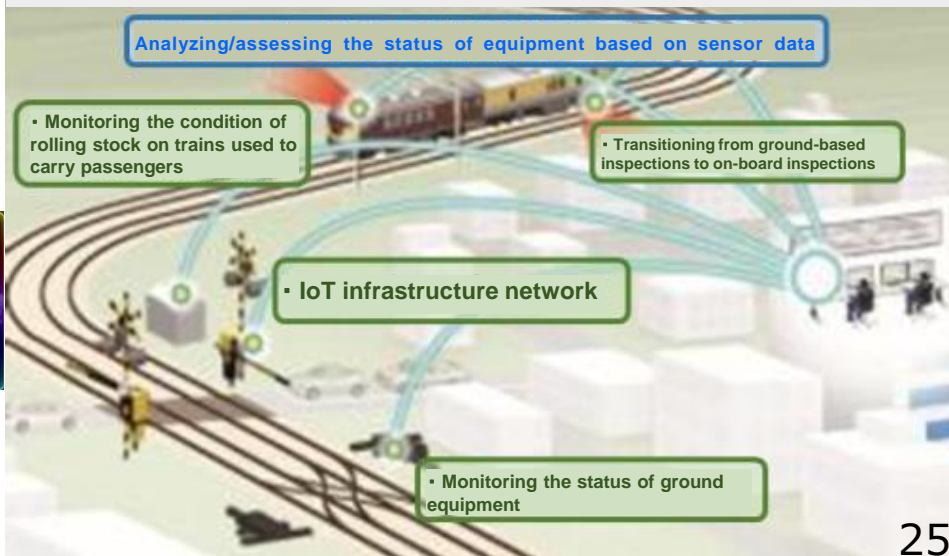
(Realizing the Technology Vision)

- Pursuing further safety and reliability

- Transitioning security systems and operational systems to the next generation
- Slope risk analysis

- Building sustainable railway/transportation systems

- Enhancing productivity through the use of new technologies
- Realizing maintenance (CBM) in accordance with the condition of equipment
- Identifying sustainable transportation systems aligned with regional needs
(Through collaboration with external partners, advancing development of BRT with bus platooning style automated operations)



Achieving a western Japan area in which everyone can continue to enjoy energetic, active lifestyles, including future generations
~ The Group's Contribution ~

Mission Centered on the railway business, support customer lifestyles and contribute to the development of local communities and economies

Safety/security

Coexisting with local communities

Global environment

The Group's responsibilities
The Group's strengths

Social infrastructure responsibilities

Responsibilities as a Group with close ties to local communities

Responsibilities associated with the use of large quantities of energy to provide transportation services

Ability to contribute to the creation of a safe, secure society

Ability to contribute to city development, starting from meetings among people and connections among communities

Ability to link to the environmental advantages of railways, regional natural environment, and culture to the activation of local communities

Innovation through partnerships that transcend existing frameworks, domains, and areas

17 PARTNERSHIPS FOR THE GOALS



Value provided

Peace of mind and an unconscious sense of comfort are available for all people as a matter of course

Sustained development and balanced affluence for the western Japan region

Conserving abundant natural resources and culture in local communities

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



13 CLIMATE ACTION



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



14 LIFE BELOW WATER



Corporate culture and human resources
Throughout the supply chain, stable employment and "whereabouts" and "contributions" with motivation and pride
Fully drawing out the potential of diverse human resources, fostering innovation

8 DECENT WORK AND ECONOMIC GROWTH



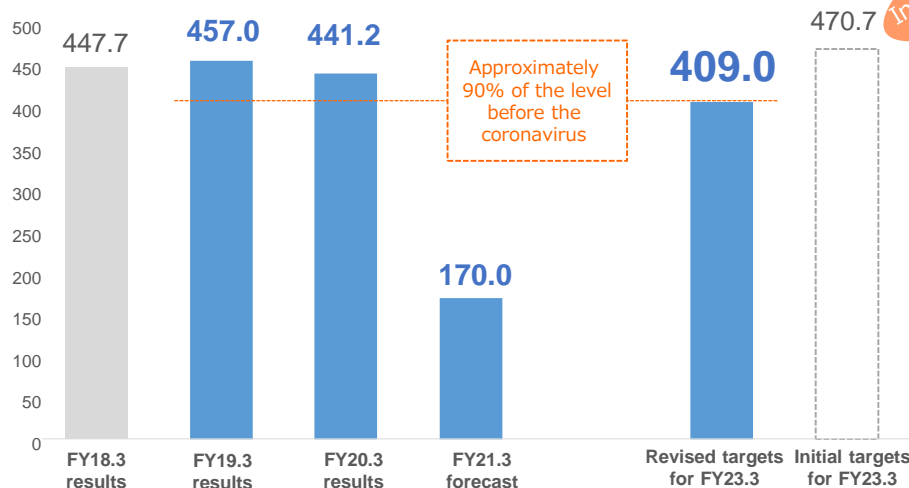
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Wide-area railway network axis. Enhancing through focused allocation of management resources.

(¥ Billion)

Shinkansen



Initiatives in the period with coronavirus

Rolling out a series of products that address various needs

【Addressing needs for distributed boarding/private rooms】

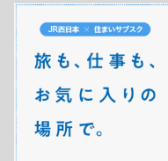
- Off-peak/family tickets (August 2020)
- Start of compartment reservations for RailStar Kodama (August 2020—)

【Products in line with travel styles/trends】

- Hokuriku Shinkansen e-ticket Haya-toku (August 2020 to March 2021)
- Sanyo Shinkansen Chokuzen-wari 50 (September to December, 2020)

【Products in line with new lifestyles】

- JR West X Life Subscription *currently in verification testing
- Setouchi GLAMPING *currently in verification testing



Safe, reliable transportation

- Introducing new rolling stock
--> Direct operation Tokaido/Sanyo Shinkansen Completing standardization on the N700A model (FY2020.3)
--> Adding 2 sets of N700S railcars (FY2021.3)
- Introducing equipment for detecting abnormalities in bogies
--> Planning installation of a total of 10 units by FY2021.3.

Enhancing transportation services

- Increasing convenience for customers
--> Hokuriku Shinkansen e-ticket service (March 2020—)
--> Expanding EX service to the Kyushu Shinkansen (Spring 2022)
--> Establishment of space for storage of large pieces of baggage (May 2020—)

Fostering tourism demand

- Setouchi Palette Project
--> Setouchi Hiroshima destination campaign (October to December, 2020)
- Communicating appeal through MaaS app
--> Rolling out setowa, WESTER
- “Dokodemo Doa de Doko Ikou” campaign (October 2020 to January 2021)



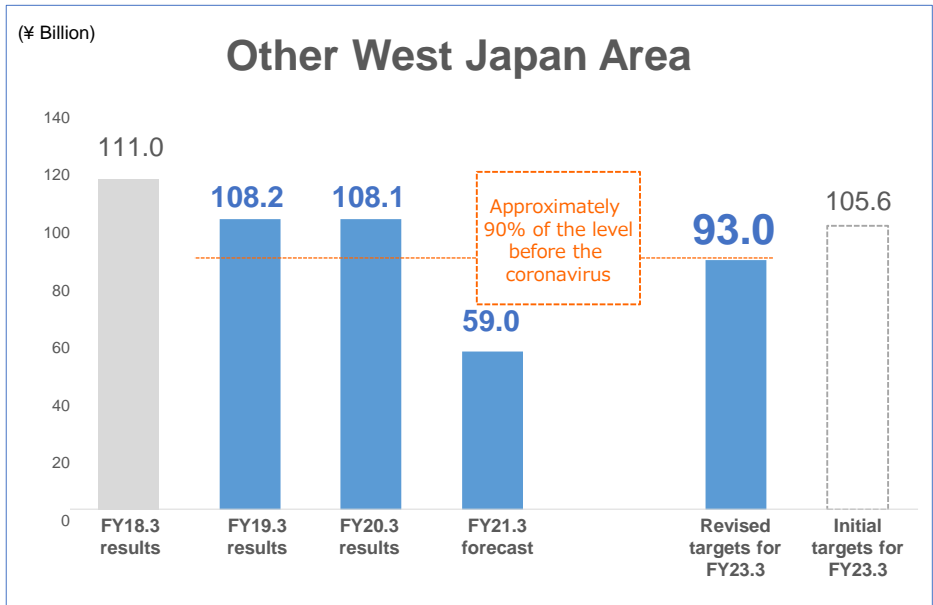
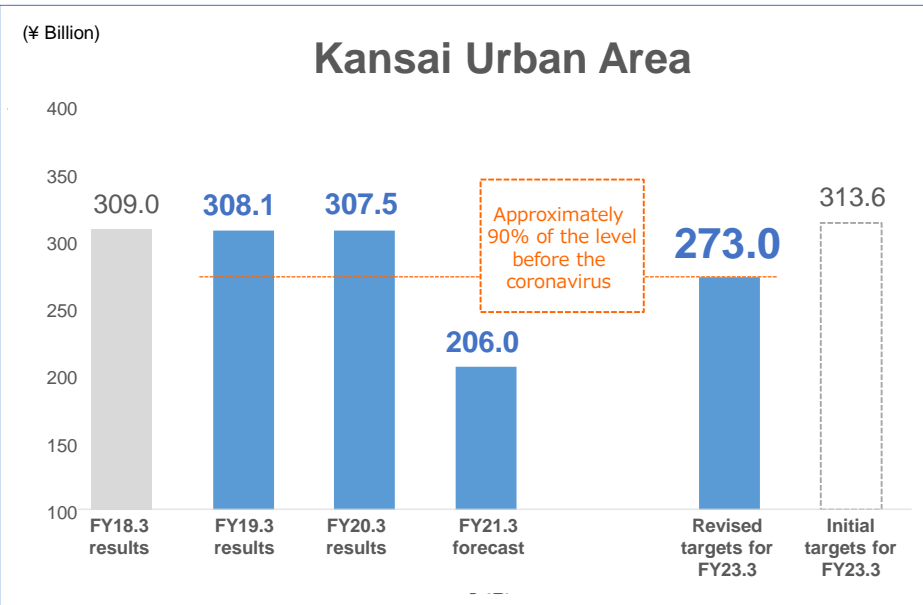
Securing business continuity

- Renovation of Depot (Hakata)

- Next medium-term management plan
Adding 2 sets of N700S railcars (planned)

Maximizing the Tsuruga extension effect for the Hokuriku Shinkansen

Continuing to increase railway belt value, and to develop businesses aligned with the area



Increasing the value of railway belts

- Implementing Groupwide initiatives to develop areas along railway lines --> "City development starting from stations," beginning with Osaka Station
- Umekita (Osaka) underground station (Spring 2023)
- Naniwasuji Line (Spring 2031)

Rolling out a series of products that address various needs

【Needs for distributed boarding】

- Ticketless limited express tickets for joint use with commuter passes (June to September, 2020)
- Expanding "JR-West Ticketless" service (October, 2020-)

【Addressing micro-tourism】

- Tickets for casual travel on days off (September to December, 2020)

Initiatives in the period with coronavirus

Invigorating communities, centered on tourism

- Setouchi Palette Project --> Setouchi Hiroshima destination campaign (October to December, 2020)
- WEST EXPRESS Ginga (September 2020-)

Implementing city development, centered on core cities

- Hiroshima, Okayama, Toyama, etc.

Increasing the quality of transportation services

- ICOCA point service (October 2018-)
- "Raku-Raku Harima" & "A Seats" (March 2019-)

Securing business sustainability

- Renovation of Depot (Suita)

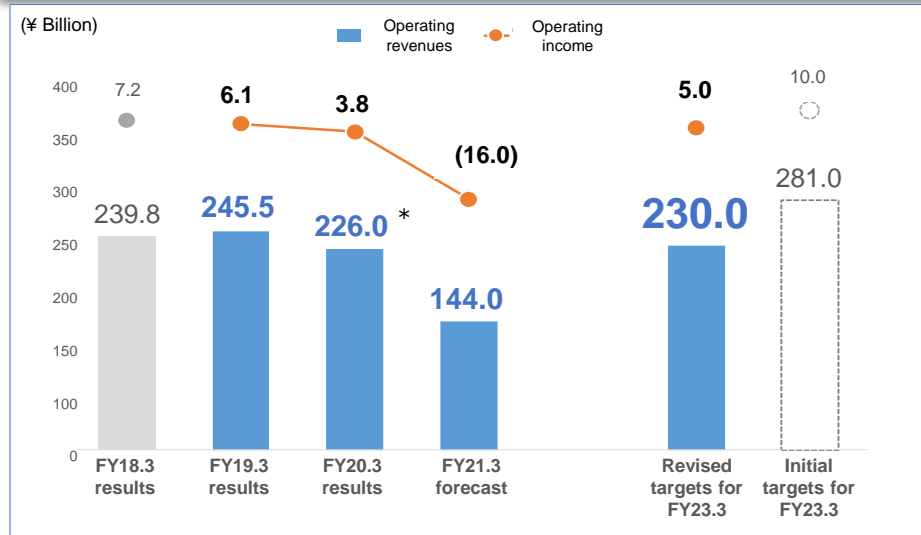
Increasing productivity

- Maintenance system change
- Expanding IC card area
- Wireless ATC (Wakayama Line 2023)

Realizing sustainable transportation services

- Considering conversion to LRT for Kibi Line
- Considering conversion to LRT for Johana Line and Himi Line

Retail



* Change in the method of recording revenues due to a change in the contracts of tenant stores in stations in FY2020.3

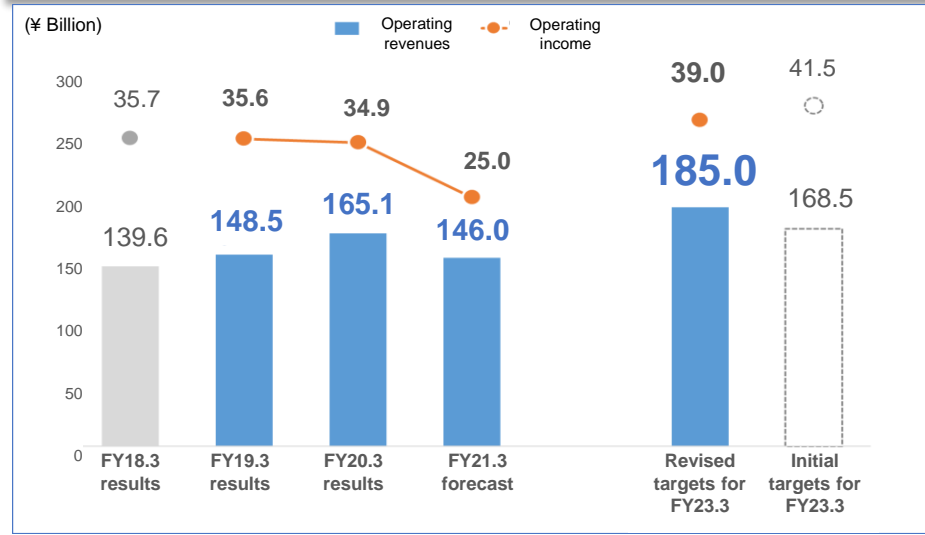
Sales of goods and food services

- Revising store product policy/merchandising
- Strengthening competitiveness through collaboration with external partners
- Development of areas surrounding stations
- Structural reform of the VIA-INN business (Thoroughly reevaluating operating systems/costs, etc.)

Department stores

- Maximizing effect of remodeling Kyoto store, B1F and 2nd to 5th floors
- New structural reform remodeling and low cost operations

Real estate



Real estate lease and sale

- Advancing city development starting from stations (strategic station development)
- Implementing sustainable city development initiatives by diversifying business schemes and participating in collaborative ventures and redevelopment projects
- Services that flexibly utilize existing assets (shared offices, etc.)

Shopping center

- New market/business format development with consideration for changes in values and purchasing behavior
- Enhancing coexistence with local communities through focused allocation of management resources to core projects (Osaka west gate, Hiroshima, Toyama, etc.)

Other Businesses

Hotel

- Implementing focused allocation of management resources to core projects
- Reevaluating product development, operational methods, cost structure in line with new needs

Nippon Travel Agency

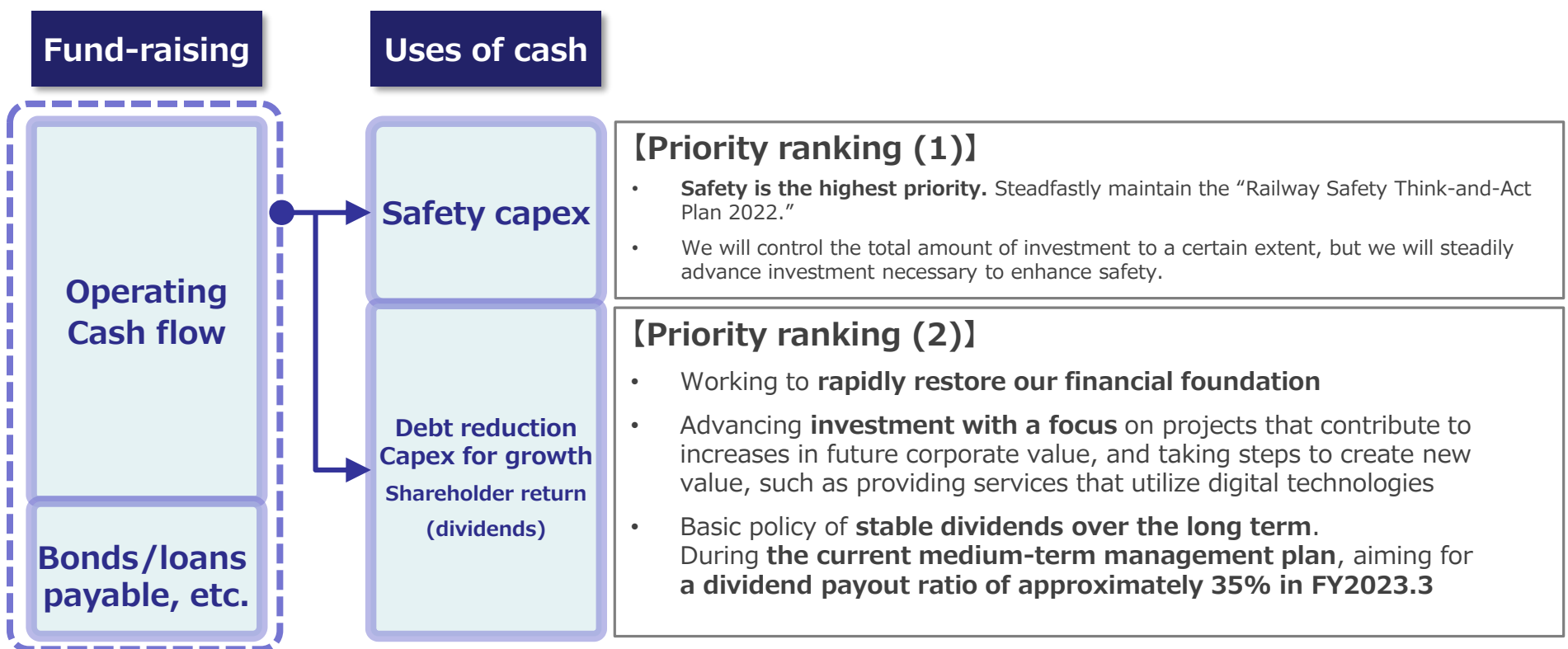
- Addressing digitalization (Increasing administrative efficiency by strengthening online sales, optimizing store network, implementing online customer contact, etc.)
- Strengthening new initiatives, such as in the field of regional development, and fostering demand

Financial Foundation Recovery

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

To secure a certain level of financial strength and to continue to fulfill our mission as an infrastructure company, even in the event of a disaster, such as a new infectious disease or a natural disaster, and to enhance our ability to address change and link it to further growth, we will work to restore the D/E ratio to approximately 1 time, which is approximately the level before the coronavirus, by the end of the reform/reconstruction period (end of FY2028.3).

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

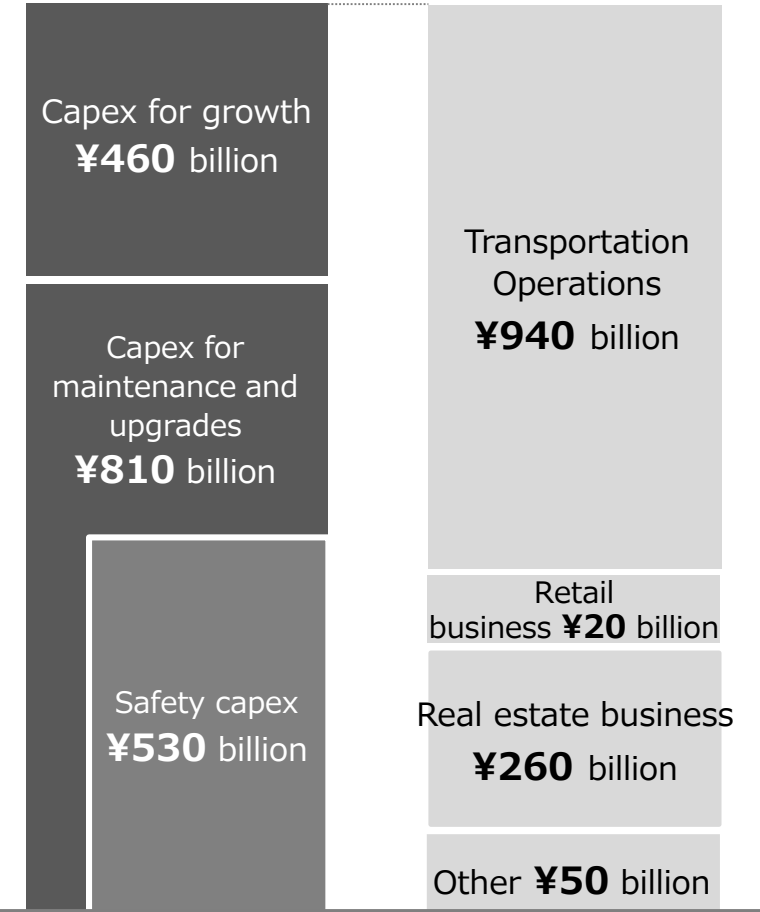


* Anticipated uses of cash to FY2028.3

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

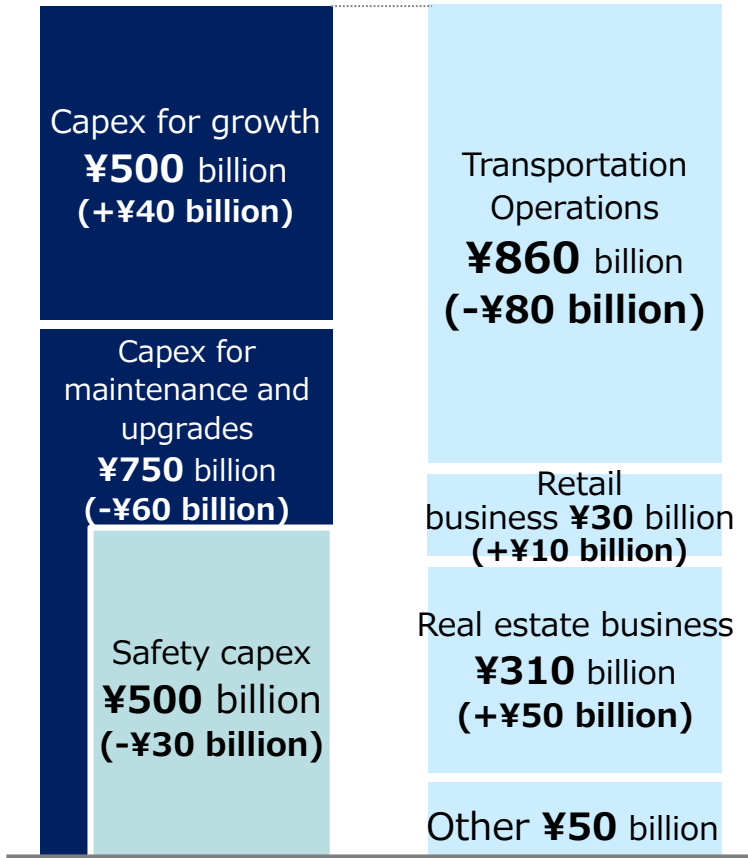
- We will control the total amount of safety investment to a certain extent, but we will steadily advance investment necessary to enhance safety.
- In the real estate business, we will aggressively implement base development as one of our growth drivers, and implement increases through specification of measures, etc.

¥1,270 billion (Breakdown by segment)



Medium-Term Management Plan 2022 (At time of announcement in April 2018)

¥1,250 billion (-¥20 billion) (Breakdown by segment)



Medium-Term Management Plan 2022 (October 2020 revision)

* Figures in parentheses show the difference from the time of the announcement in April 2018

Shareholder return policy

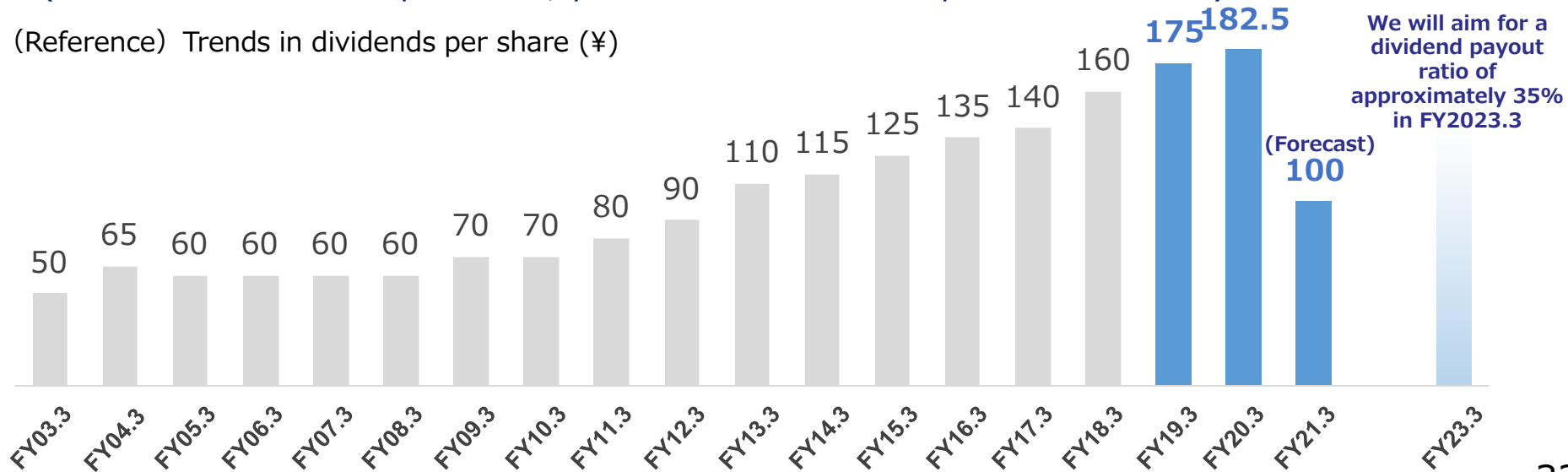
- **We will implement stable dividends, aiming for a dividend payout ratio of approximately 35% in FY 2023.3.** ⇒ **Maintain**
- **Over the period of this plan, our yardstick will be a total return ratio of approximately 40%, and we will make flexible acquisitions of treasury stock.** ⇒ **Withdraw**
 - Maintain policy of “emphasizing stable dividends over the long term”
 - On the other hand, from the perspective of restoration of the financial foundation, we will not make acquisitions of our own shares beyond those included in the current medium-term management plan.

Shareholder return in FY 2021.3

- **We are forecasting a loss, but with consideration for our policy of emphasizing stable dividends over the long term, we plan to pay dividends of ¥100 per share.**

(Interim dividend: ¥50 per share; year-end dividend: ¥50 per share (planned))

(Reference) Trends in dividends per share (¥)



Management Indices / Target Indicators, Etc.

■ JR-West Group Medium-Term Management Plan 2022 Management Indices

Management indices	Results for FY2018.3	FY2023.3 objectives (As of April 2018)	FY2023.3 objectives (October 2020 revision)
Consolidated operating revenues*	¥1,500.4 billion	¥1,630.0 billion	¥1,450.0 billion
Consolidated EBITDA	¥356.1 billion	¥400.0 billion	¥330.0 billion
Consolidated ROA	6.3%	Mid-6% range	Approx. 4%
(Reference) Consolidated ROE	11.3%	Approx. 10%	Approx. 9%
Transportation revenues	¥867.8 billion	¥890.0 billion	¥775.0 billion

* Does not include the effect of the application of “Accounting Standard for Revenue Recognition,” etc.
* In regard to the target of ¥2 trillion in consolidated operating revenues by around 2030, we will reduce it temporarily, but throughout the reform/restoration period we will aim to build organizations, human resources, and management strengths that will be a foundation for growth and then to achieve further development in the evolution/growth period.

■ Target Indicators / Direction

			FY2023.3 objectives (As of April 2018)	FY2023.3 objectives (October 2020 revision)
Railway Business	Safety	Train accidents that result in casualties among our customers <5-year cumulative total>	0 cases	0 cases
		Railway labor accidents that result in fatalities among our employees <5-year cumulative total>	0 cases	0 cases
		Train accidents that result in casualties among our customers	Further 10% reduction (9 cases)	Further 10% reduction (9 cases)
		Accidents at level crossings	Further 10% reduction (22 cases)	Further 10% reduction (22 cases)
		Transportation disruptions due to internal factors	Further 10% reduction (126 cases)	Further 10% reduction (126 cases)
Shared	Inbound	Consolidated operating revenues	¥65.0 billion	—
		Number of inbound travelers using specialty products	2.6 million people	—

【Reference】 Results objectives (Segment Information)

		Results for FY2018.3	Objectives for FY2023.3 (As of April 2018)	Objectives for FY2023.3 (October 2020 revision)
Operating Revenues		¥1,500.4 billion	¥1,630.0 billion	¥1,450.0 billion
	Transportation	¥950.8 billion	¥977.5 billion	¥855.0 billion
	Retail business	¥239.8 billion	¥281.0 billion	¥230.0 billion
	Real estate business	¥139.6 billion	¥168.5 billion	¥185.0 billion
	Other	¥170.0 billion	¥203.0 billion	¥180.0 billion
Operating Income		¥191.3 billion	¥210.0 billion	¥140.0 billion
	Transportation	¥130.3 billion	¥139.5 billion	¥83.0 billion
	Retail business	¥7.2 billion	¥10.0 billion	¥5.0 billion
	Real estate business	¥35.7 billion	¥41.5 billion	¥39.0 billion
	Other	¥19.9 billion	¥23.0 billion	¥18.0 billion
Recurring Profit		¥177.7 billion	¥197.0 billion	¥125.0 billion
Profit attributable to owners of parent		¥110.4 billion	¥128.0 billion	¥80.0 billion

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Results for the First Half of FY2021.3 Page 2

2

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

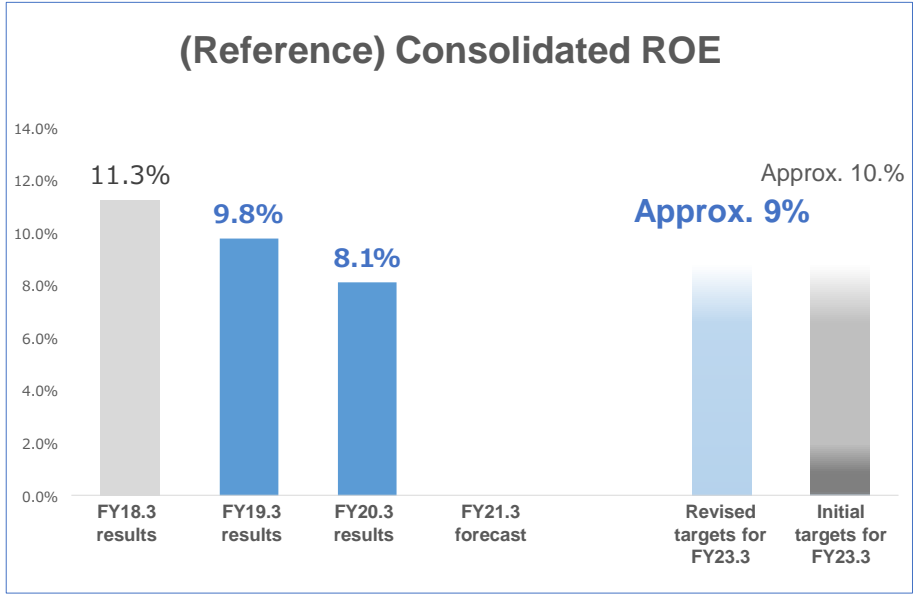
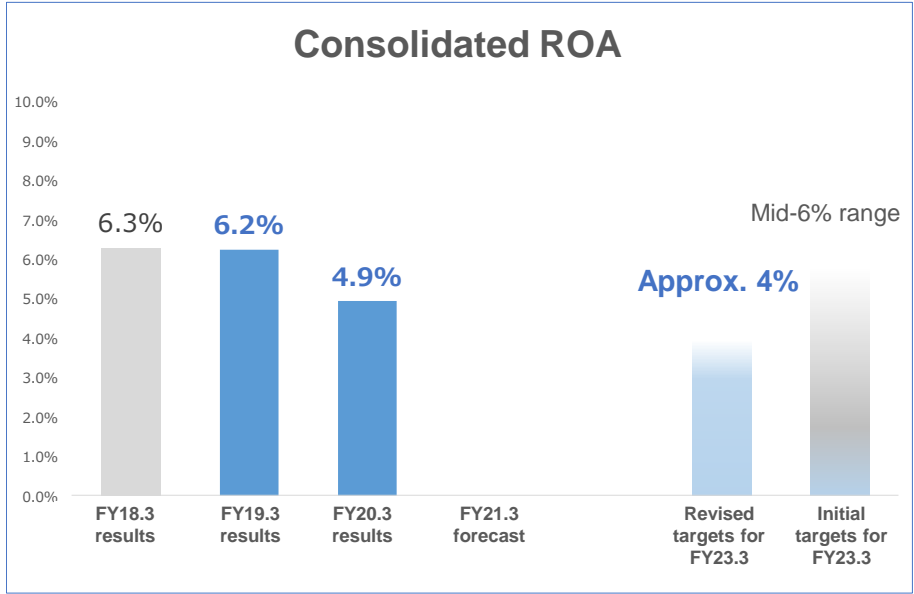
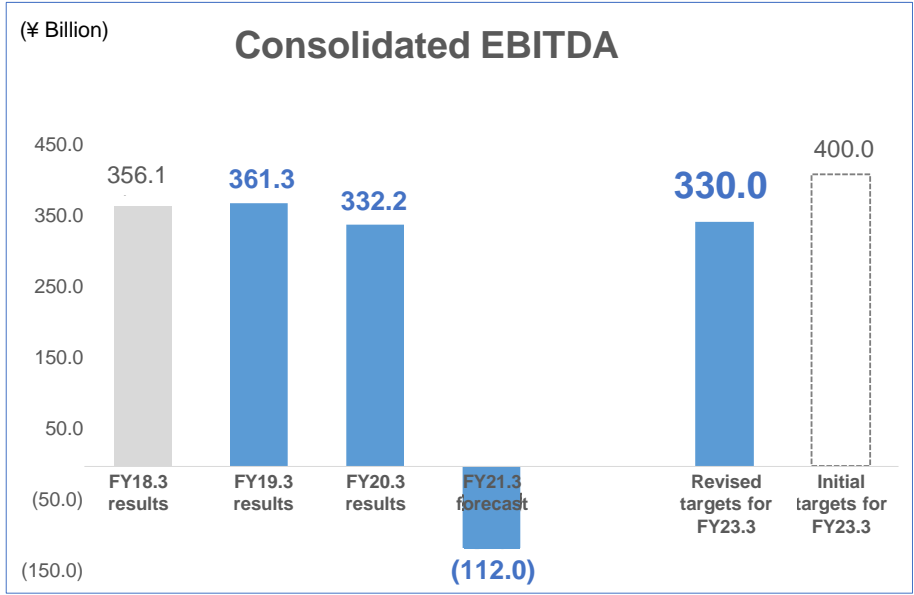
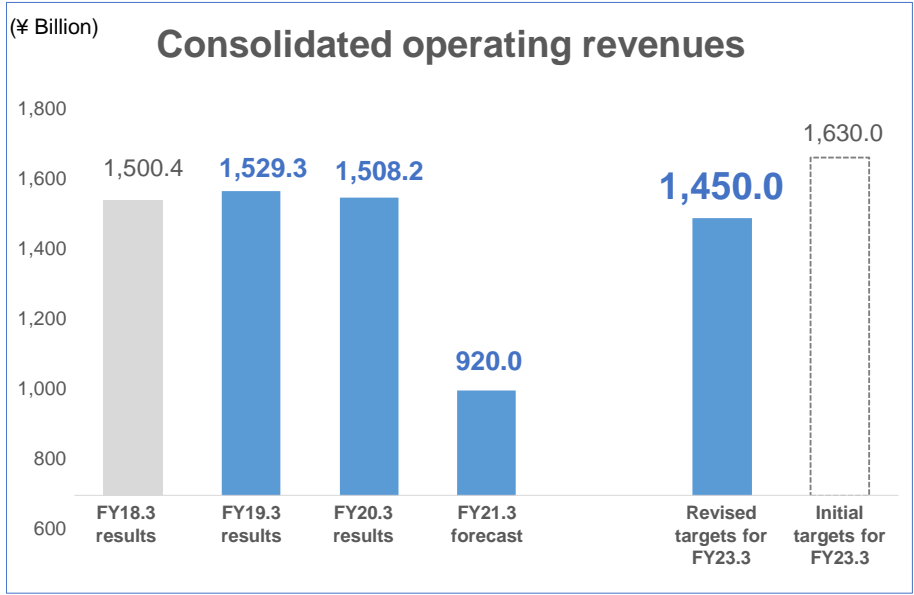
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Appendix

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Management Indices (KPI)



Cautionary Statement Regarding Forward-looking Statements

- This presentation contains forward-looking statements that are based on JR-West's current expectations, assumptions, estimates and projections about its business, industry, and capital markets around the world.
- These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "plan" or similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of JR-West's financial condition, or state other forward-looking information.
- Known or unknown risks, uncertainties and other factors could cause the actual results to differ materially from those contained in any forward-looking statements. JR-West cannot promise that the expectations expressed in these forward-looking statements will turn out to be correct. JR-West's actual results could be materially different from and worse than expectations.
- Important risks and factors that could cause actual results to be materially different from expectations include, but are not limited to:
 - expenses, liability, loss of revenue or adverse publicity associated with property or casualty losses;
 - economic downturn, deflation and population decreases;
 - adverse changes in laws, regulations and government policies in Japan;
 - service improvements, price reductions and other strategies undertaken by competitors such as passenger railway and airlines companies;
 - infectious disease outbreak and epidemic;
 - earthquake and other natural disaster risks; and failure of computer telecommunications systems disrupting railway or other operations
- All forward looking statements in this release are made as of November 2, 2020 based on information available to JR-West as of November 2, 2020 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.