

JR-WEST Group Consolidated Results 1st Half of FY2023.3








Making Our Vision into Reality

November 2, 2022

West Japan Railway Company

- I am Shoji Kurasaka, the Vice President of JR- West.
- Today, I will discuss our results in the first half , followed by our progress working toward the next medium-term management plan and other matters.
- Please refer to slide 3 in the presentation materials.

	FY2023.3 2Q Results and Full-Year Forecasts: Overview	Page 3
	Progress with the Formulation of the next Medium-Term Management Plan	Page 10
	FY2023.3 2Q Results and Full-Year Forecasts: Details	Page 21
	Appendix	Page 32

1	FY2023.3 2Q Results and Full-Year Forecasts: Overview	Page 3
2	Progress with the Formulation of the next Medium-Term Management Plan	Page 10
3	FY2023.3 2Q Results and Full-Year Forecasts: Details	Page 21
	Appendix	Page 32

FY2023.3 2Q Results and FY2023.3 Full-Year Forecasts – Highlights

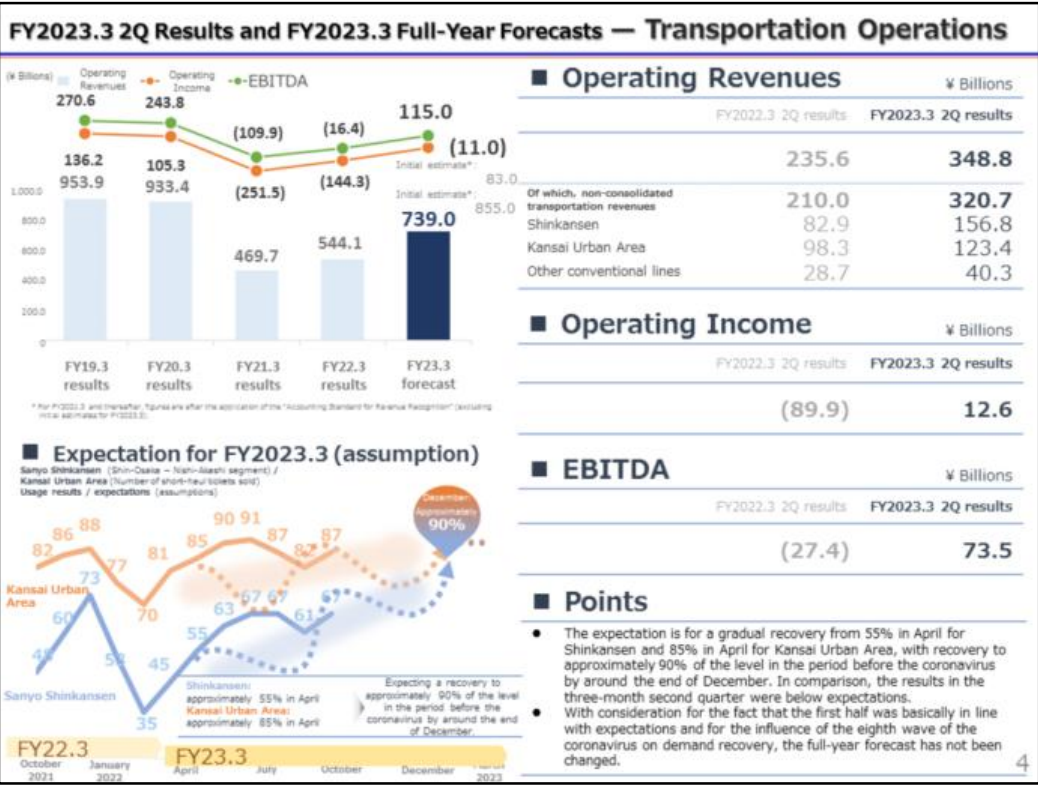
- In the second quarter of FY2023.3, due to the influence of the seventh wave of coronavirus infections, etc., the recovery in demand showed signs of slowing. However, for the first time since FY2020.3, the Company recorded first-half profits on both a consolidated basis and a non-consolidated basis.
- Looking at cost structure reform initiatives, on a non-consolidated basis, the plan is for a reduction of ¥20.0 billion for the fiscal year, and we achieved a reduction of ¥10.0 billion in the first half.
- At the beginning of the period, the expectation was for a trend of recovery with fluctuations up and down. Circumstances have been basically in line with expectations, with trends exceeding expectations in the first quarter and falling short of expectations in the second quarter. Accordingly, there is no change to the full-year results forecast and dividend forecast.

	6 months ended		YoY		Forecasts		YoY		Vs. revised plan %
	Sep. 30, 2021*	Sep. 30, 2022	Increase/Decrease	%	FY23.3	Increase/Decrease	%		
[Consolidated]									
Operating Revenues	436.8	616.7	179.8	41.2	1,309.0	277.8	27.0	(9.7)	
Operating Expenses	522.9	582.8	59.9	11.5	1,279.0	128.8	11.2	(2.4)	
Operating Income (Loss)	(86.1)	33.8	119.9	-	30.0	149.0	-	(78.6)	
Recurring Profit (Loss)	(87.4)	27.7	115.1	-	13.5	134.5	-	(89.2)	
Profit (Loss) attributable to owners of parent	(68.6)	64.5	133.1	-	58.5	171.6	-	(26.9)	
EBITDA	(7.3)	111.7	119.1	-	193.0	150.0	349.9	(41.5)	
[Non-Consolidated]									
Transportation Revenues	210.0	320.7	110.7	52.7	673.0	185.3	38.0	(13.2)	
Operating Expenses	332.8	346.3	13.5	4.1	764.5	59.8	8.5	(2.6)	

* "Vs. revised plan" percentages do not include the influence of the "Accounting Standard for Revenue Recognition"

3

- Looking at the consolidated results for the first half, operating revenues were ¥616.7 billion, operating income was ¥33.8 billion, and profit attributable to owners of parent was ¥64.5 billion.
- In the first quarter, transportation revenues were slightly stronger than the planned level. In the second quarter, they turned and were somewhat weak due to the seventh wave of the coronavirus. Nonetheless, for the first time since FY2020.3, the Company recorded first-half profits at all levels on both a consolidated basis and a non-consolidated basis.
- Looking at the consolidated profit attributable to owners of parent of ¥64.5 billion, as we indicated when we announced our first quarter results, due to the approval of our business adaptation plan under the Act on Strengthening Industrial Competitiveness, we can apply special tax measures to increase the upper limit for the deduction for losses carried forward for taxable income for the next five years. Accordingly, this had the effect of decreasing income taxes by ¥43.5 billion.
- In regard to the full-year results forecasts, with consideration for the fact that results have been in line with our expectations at the beginning of the year, with a trend of recovery with fluctuations up and down, and for the influence on future demand of the arrival of the eighth wave of coronavirus infections, etc., we have not changed the plan that was announced at the beginning of the fiscal year.
- In the second half, we will continue working to foster demand and reduce costs through a variety of measures. In addition, there are opportunities related to the nationwide travel support initiative and removal of limitations on the number of travelers entering the country. In order to link these opportunities to actual demand, we will establish effective measures to foster demand while collaborating with travel agencies, etc.
- Please turn to the next slide.



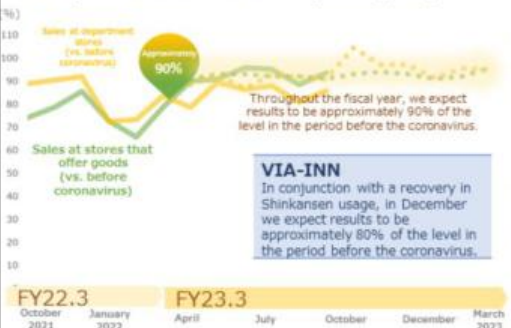
- Next, I will discuss each business field. The first is transportation operations.
- In the first half, transportation revenues were ¥320.7 billion. This is an increase of ¥110.7 billion year on year, and 71% of the level in FY2020.3, before the coronavirus.
- The breakdown of revenues is shown on this slide. Looking at Shinkansen revenues, the Sanyo Shinkansen was ¥142.4 billion and the Hokuriku Shinkansen was ¥14.3 billion.
- Our expectation was that, with fluctuations up and down, there would be a gradual improvement in usage, with recovery to approximately 90% of the level in the period before the coronavirus by around the end of December. In comparison, the first quarter was somewhat strong, while the second quarter was somewhat weak.
- In October, usage basically returned to the anticipated trend. At this point, our results are basically in line with expectations, and accordingly there is no change to the full-year plan.
- Please turn to the next slide.

FY2023.3 2Q Results and FY2023.3 Full-Year Forecasts — Retail Business



* For FY2023.3 and thereafter, figures are after the application of the "Accounting Standard for Revenue Recognition" (including initial estimates for FY2023.2).

Expected sales in FY2023.3 (assumption)



Operating Revenues (major breakdown) ¥ Billions

	FY2022.3 2Q results	FY2023.3 2Q results
	55.5	77.2
Sales of goods and food services	46.2	65.3
Of which, VIA-INN	2.7	4.9
Department stores	7.3	9.6

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

Operating Income (major breakdown) ¥ Billions

	FY2022.3 2Q results	FY2023.3 2Q results
	(6.9)	0.6
Sales of goods and food services	(5.3)	0.8
Of which, VIA-INN	(2.6)	(1.1)
Department stores	(1.5)	(0.3)

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

EBITDA (major breakdown) ¥ Billions

	FY2022.3 2Q results	FY2023.3 2Q results
	(4.1)	3.3
Sales of goods and food services	(3.3)	2.7
Of which, VIA-INN	(1.7)	(0.3)
Department stores	(1.1)	0.1

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

Point

In the second quarter, the seventh wave of coronavirus infections had an effect, and there were signs that the recovery was slowing. Nonetheless, circumstances were basically in line with expectations.

- The next topic is the retail business.
- In the first half, revenues were up ¥21.6 billion year on year, and operating results improved by ¥7.5 billion, to operating income of ¥0.6 billion. In a continuation from the first quarter, the retail business was profitable.
- Throughout the fiscal year, we expect sales at stores that offer goods and at department stores to be approximately 90% of the level in the period before the coronavirus. At this point, sales are generally in line with expectations.
- Please turn to the next slide.

FY2023.3 2Q Results and FY2023.3 Full-Year Forecasts — Real Estate Business



Expected shopping center sales in FY2023.3 (assumption)



Operating Revenues (major breakdown) ¥ Billions

	FY2023.3 2Q results	FY2023.3 2Q results
	66.2	75.7
Real estate lease and sales business	44.6	50.1
Of which, Real estate lease	23.8	25.2
Real estate sales	20.8	24.9
Shopping center	20.6	25.1

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

Operating Income (major breakdown) ¥ Billions

	FY2023.3 2Q results	FY2023.3 2Q results
	16.1	18.1
Real estate lease and sales business	10.2	11.8
Of which, Real estate lease	8.0	7.7
Real estate sales	2.1	4.1
Shopping center	1.7	3.5

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

EBITDA (major breakdown) ¥ Billions

	FY2023.3 2Q results	FY2023.3 2Q results
	28.3	31.1
Real estate lease and sales business	18.7	20.7
Shopping center	4.7	6.9

* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

Point

YOY growth was recorded in revenues and profits due to newly opened properties, full-year contributions from newly opened properties, sales to investors, and higher sales at shopping centers. Results were basically in line with expectations.

- Next, I will discuss the real estate business.
- In the first half, revenues were up ¥9.5 billion year on year, and operating income increased by ¥2.0 billion, to ¥18.1 billion.
- Sales to investors were firm, and in addition shopping center sales increased due to the recovery in demand. These and other factors were the drivers of our results.
- For the fiscal year, we expect shopping center sales to be approximately 90% of the level in the period before the coronavirus. At this point, sales are generally in line with expectations.
- Please turn to the next slide.

FY2023.3 2Q Results and FY2023.3 Full-Year Forecasts — Other Businesses

Hotel occupancy rates



* The VIA INN brand of accommodation-oriented hotels is included in the travel business.

Expectation for FY2023.3 (assumption)

【Hotel business】

- As of April 2022, current occupancy rates were approximately 70% of the level in the period before the coronavirus.
- Accompanying a recovery in railway demand, in the fourth quarter we expect results to be approximately 90% of the level in the period before the coronavirus.

【Travel business】

- As of April, reservations for domestic travel products were approximately 30% of the level in the period before the coronavirus.
- Accompanying a moderate recovery in travel demand, at the end of December 2022 we expect revenues from domestic travel to be approximately 60% of the level in the period before the coronavirus.

Operating Revenues (major breakdown) ¥ Billions

	FY2022.3 2Q results	FY2023.3 2Q results
Hotel business	7.2	13.7
Travel business	34.7	62.5

* The breakdowns of the figures for each segment are the sum of the figures of major subsidiaries and do not match the segment totals.

Operating Income (major breakdown) ¥ Billions

	FY2022.3 2Q results	FY2023.3 2Q results
Hotel business	(5.8)	(2.2)
Travel business	0.1	3.1

* The breakdowns of the figures for each segment are the sum of the figures of major subsidiaries and do not match the segment totals.

EBITDA (major breakdown) ¥ Billions

	FY2022.3 2Q results	FY2023.3 2Q results
Hotel business	(4.0)	(0.5)
Travel business	0.3	3.3

* The breakdowns of the figures for each segment are the sum of the figures of major subsidiaries and do not match the segment totals.

Points

- In the hotel business, results recovered, centered on the accommodation department, due to the reduced influence of the coronavirus, etc. The opening in March 2022 of Hotel Vischio Toyama also contributed to increased revenues.
- In the travel business, the solutions business, such as vaccination management operations, continued firm. Results exceeded the plan.

- This slide shows other businesses.
- In the hotel business, as you can see, occupancy rates are improving. Revenues were up by ¥6.4 billion year on year, and operating results improved by ¥3.5 billion. However, a full-scale recovery in demand will require some time, and, in a continuation from the first quarter, an operating loss was recorded.
- In the travel business, our performance was led by the solutions business, including consigned vaccination management operations. Revenues were up by ¥27.7 billion year on year, and operating income was up ¥3.0 billion, to ¥3.1 billion.
- In each business segment, at this point, results are basically in line with expectations. Accordingly, there is no change to the full-year results forecast that were announced at the beginning of the fiscal year.
- Please turn to the next slide.

Shareholder Return

Shareholder return policy in the revision of the Medium-Term Management Plan 2022

- We will implement stable dividends, aiming for a dividend payout ratio of approximately 35% in FY 2023.3.

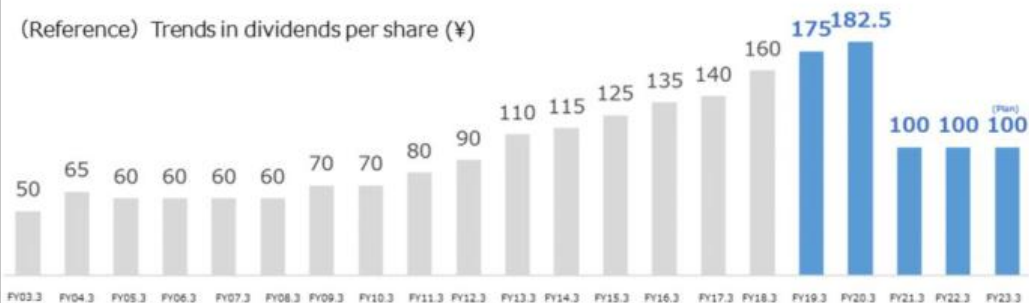
- Maintain policy of "emphasizing stable dividends over the long term," even in a challenging management environment

Shareholder return in FY 2023.3





- FY2023.3: In accordance with policy of emphasizing stable dividends over the long term, planning ¥100 per share (annual dividend)

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

(Reference) Trends in dividends per share (¥)



- This slide covers shareholder return.
- Results are basically in line with expectations. Accordingly, there is no change to the full-year dividend forecast of ¥100 per share.
- Next, please look at slide 10.

 1	FY2023.3 1Q Results and Full-Year Forecasts: Overview	Page 3
 2	Progress with the Formulation of the next Medium-Term Management Plan	Page 10
 3	FY2023.3 1Q Results and Full-Year Forecasts: Details	Page 21
	Appendix	Page 32

Understanding of the External Environment, Issues for the Next Medium-Term Management Plan

- There are opportunities to create new demand, and there is accelerating progress with digital technologies, etc., that make it possible to address those opportunities.
- On the other hand, it is becoming clear that there is a decline in conventional usage and that there are risks of higher costs due to international circumstances and the requirements of society.

Operating Environment Changes

Opportunities to create new demand

- Rediscovery of real values
- Increase in environmental awareness
- Technical innovation, including digital technologies

Decline in number of users and number of uses

- Population decline / aging of society
- Unstable inbound demand
- Values gap between different generations
- Further changes in social behavior

Upward pressure on costs

- Intensifying natural disasters
- Yen depreciation/rising prices
- Securing human resources

Challenges in existing businesses

- Due to changes in the management environment, there is an unavoidable trend of decline in various elements making up the Group's earnings.
- International circumstances and the requirements of society are leading to the risk of higher costs.
- In non-railway operations, we do not have an operational scale that can provide support in a management crisis, such as the coronavirus. Moreover, under this business model, almost all non-railway businesses are linked to the railway business.

10

- Next, I will discuss the status of progress with the formulation of the next medium-term management plan.
- Through the coronavirus crisis, it has become clear that the Group's businesses other than real estate are highly linked to mobility, and that with this business structure, when mobility contracts our management environment becomes challenging.
- For some time, there have been changes in the macro environment, such as a declining population and intensifying natural disasters. In addition, the management environment is becoming more challenging as a result of the influence of changes in social behavior, rising prices affected by the tense international situation, the depreciation of the yen, etc.
- On the other hand, there are also opportunities for new demand creation, such as an increase in environmental awareness, the progress of DX, and the rediscovery of the value of physical venues as a result of restrictions on behavior.
- In regard to these changes in the operating environment, we recognize that we need to rebuild our business model for existing businesses, including railways, and our business portfolio.
- Please turn to the next slide.

Toward the Formulation of the Next Medium-Term Management Plan

Realizing our vision

A safe, comfortable society filled with meetings among people and smiles



11

- In the next medium-term management plan, enhancing safety will continue to be the foundation of our management.
- On that basis, after the end of the coronavirus crisis, even if fundamental transportation revenues are limited to 90%, we think that the following four points will be drivers for the generation of stable profit: (1) railway invigoration and structural reforms in each business, (2) coexistence with local communities / city development, (3) establishment of key platforms, measures, etc., and implementation of group marketing through DX in each of these areas, and (4) taking on the challenge of building future business pillars that are not linked with mobility, through the generation of new value.
- We will reevaluate our business portfolio, centered on “further enhancing existing businesses” and “taking on the challenge of new synergy fields that are not linked to mobility .” We will advance the formulation of the next medium-term business plan while engaging in dialog with shareholders.
- Please turn to the next slide.

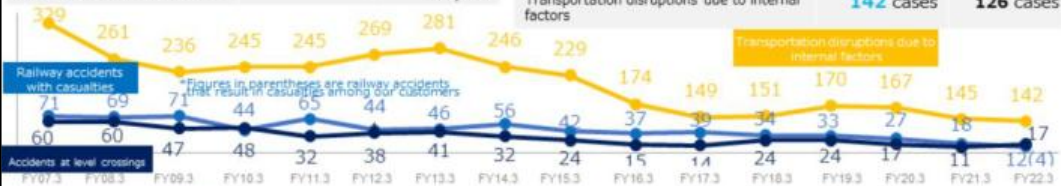
Safety

- Safety is our most important strategy and is the foundation of management.
- We are working to further enhance safety and to implement railway labor accident countermeasures through the use of new technologies.

○ Status of progress with medium term management plan objectives

*1 Figures in parentheses are cumulative total from FY2019.3

	FY 22.3 Results	FY 23.3 Objectives		FY 22.3 Results	FY 23.3 Objectives
Train accidents that result in casualties among our customers	~:0(0) cases	0 cases in 5 years	Railway accidents with casualties among our customers	4 cases	9 cases
Railway labor accidents that result in fatalities among our employees	~:0(1) cases	0 cases in 5 years	Accidents at level crossings	17 cases	22 cases
			Transportation disruptions due to internal factors	142 cases	126 cases



Previous efforts

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

Natural disaster countermeasures

- (disaster prevention / damage reduction)
 - Initiatives to reduce time required for customers to disembark from trains in the event of an earthquake
 - Implementation of Shinkansen earthquake-resistance measures, installation of derailment prevention guards

Railway rolling stock safety measures

- Installation of security cameras inside conventional-line rolling stock
- Measures to prevent the spread of the novel coronavirus pandemic

Safety measures for crossings and platforms

- Accelerating installation through the use of New Fare System with Additional Fees to Promote Barrier-free Access at Railway Stations

Railway labor accident countermeasures

- Developing multi-function railway heavy equipment



Points for the formulation of the next Medium-Term Management Plan

Securing safety will continue to be the foundation of management

- Defining "perspectives that are essential for the achievement of safety" in "Achieving Railway Safety into the Future" (formulated March 2021)
- Highlighting the above perspectives, confirming issues, and advancing initiatives in a focused manner

12

- Next, I will discuss progress with current initiatives and points regarding the next medium-term management plan.
- In the next medium-term management plan, safety will continue to be our most important strategy and the unchanging foundation of our management.
- We have recently made steady improvement in regard to the safety-related indicators that we have announced.
- Going forward, while utilizing new technologies, we will work to further enhance safety so that customers can use our services safely and with peace of mind.
- Please turn to the next slide.

Invigoration of Railways and Structural Reforms in Each Business

- **Structural cost reductions** are making **steady progress** toward the plan of **¥20.0 billion** for FY2023.3 on a non-consolidated basis.
- Under the next medium-term management plan, we will **strengthen top-line and bottom-line initiatives**.



Cost structure reform

	FY2023.3 2Q results	FY2023.3 full-year plan
Enhancing productivity in railway operations	Approximately (5.0)	Approximately (11.0)
Optimizing train schedules	Approximately (2.0)	Approximately (3.5)
Organizational structure reforms	Approximately (3.0)	Approximately (5.5)



Points for the formulation of the next Medium-Term Management Plan

Deepening cost structure reform

- Further deepening the list of structural cost reductions

Yield management

- Enhancing demand forecasting, with consideration for accelerating the timing of the start of EX Service reservations
- With consideration for the above, maximizing earnings through the establishment of appropriate transport capacity / products

Strengthening marketing that leverages data

- Expanding railway usage by leveraging Group point system integration (introduction of WESTER points)

cost reductions rates (consolidated)

*vs. FY2020.3 ¥ Billions

FY2023.3 2Q results	FY2023.3 full-year plan
(54.0)	(117.0)

Non-consolidated asset sales

¥ Billions

FY2023.3 2Q results	FY2023.3 full-year plan
4.4	15.0

- The next topic is railway invigoration.
- Looking at cost structure reform initiatives, we are making favorable progress. On a non-consolidated basis, the plan is for a reduction of ¥20.0 billion for the fiscal year, and we achieved a reduction of ¥10.0 billion in the first half.
- Under the next medium-term management plan, we will work to deepen these structural cost reductions and expand their effects.
- Furthermore, in addition to costs, we will also strengthen initiatives in the area of revenues.
- We are planning to expand the functions of EX Service next fall, and we will leverage these types of opportunities to enhance demand forecasting and strengthen marketing.
- Please turn to the next slide.

Fares and Charges

JR-West's thoughts regarding issues

Applications for approval are only on a companywide basis, and a long time is required for revisions.

- The system, which uniformly examines "profitability on all routes," is rigid. It is not possible to make flexible, timely revisions.
- There is a mismatch between the usage conditions/operational configuration and the fare system.

It is difficult to deal with dramatic reductions in revenues due to external factors and with inflation.

- The examinations are based on the profitability outlook for the three-year period after a fare revision, and accordingly it is not possible to cover losses in prior fiscal years, such as periods of dramatic declines in revenues.

In comparison with airline fares, etc., there is a difference in the degree of regulatory control.

- There is a low degree of freedom in price setting, and it is difficult to establish products that address needs.

(Reference) Introduction of the New Fare System with Additional Fees to Promote Barrier-free Access at Railway Stations

- Receipt of fares from Osaka Loop Line and special railway section to start from FY2024.3.
- With a target of spring 2025, in conjunction with the standardization of the fare system, plans call for expansion of the receipt of fares and the area targeted for enhancement.



Ministry of Land, Infrastructure, Transport and Tourism subcommittee related to the state of the railway fare/charge system: Interim viewpoint summary

Current response

With the current fare/charge system as an assumption, the following specific discussions have been commenced. Implementation will be made in the order that conclusions are reached.

- **Revision of total cost calculation method**
Method of appropriately reflecting in the total cost the investments/costs involved in addressing current issues, such as safety/security and the environment. Etc.
- **Improvements/innovative initiatives in the operation of the current system**
New fare/charge system that does not result in increased revenues overall. Etc.
- **System revisions aimed at maintaining/securing regional mobility in regional areas**
If related parties in regional areas agree, a system that enables fares to be set in a manner that is different from authorized fares.

Future discussions

In regard to the revision of the current fare/charge system itself, this will be a topic for continued discussions

(Source) Prepared by the Company from materials distributed for the eighth meeting of a Ministry of Land, Infrastructure, Transport and Tourism subcommittee related to the state of the railway fare/charge system

Future actions

Revision within the scope of notifications, with consideration for the competitive environment, etc.

- Revision of special railway section fares in the Kyoto-Osaka-Kobe Area
 - Revision of Nozomi/Mizuho reserved seat express train charges
 - Revision of conventional line express train charges / discounts when changing between conventional and Shinkansen trains
- (from April 2023)

Simplification of fare/charge system
Flexible price setting in line with demand

- Discussions regarding the establishment of Kyoto-Osaka-Kobe Area fares, keeping in mind the advancement of discussions about accelerating the installation of barrier-free equipment, dynamic pricing, etc.

Continued demand for revision of total cost calculation method

Addressing the above
impacts/innovative initiatives in the operation of the current system

Addressing the above
revision of the total cost method

✓ **Going forward, detailed discussions with related organizations**

14

- Next, I will discuss the state of fares/charges, which have a significant influence on our pricing strategy.
- Until now, with consideration for such factors as the competitive environment, we have advanced revisions that can be implemented within the scope of notifications.
- As stated previously, the interim viewpoint summary of the MLIT subcommittee was released in July. The process will enter the phase of detailed consideration of such matters as "revising the total cost calculation method" and "improvement / creative initiatives for administration of the current system."
- We would like to advance discussions regarding such matters as the simplification of the fare system for the Kyoto-Osaka-Kobe area, which will contribute to accelerating the installation of barrier-free facilities.
- In addition, we will also continue to request the revision of the total cost calculation method in order to increase the continued sustainability of railways.
- Please turn to the next slide.

Coexistence With Local Communities / City Development

- We are working to create new demand from two approaches — “improving railway networks” and “city development.”
- We are participating in projects that are integrated with urban plans. We are leveraging the distinctive strengths of a railway company to invite related projects.

~FY23.3

FY24.3~

Railway network

Shinkansen

- Adding N700S railcars on the Sanyo Shinkansen
 - ✓ Two sets in each: FY2021.3 and FY2023.3~
- Expanding functionality of EX service
 - ✓ Start of service on Kyushu Shinkansen (June 2022)
- Expanding functionality of EX service
 - ✓ EX-MaaS (provisional name) / EX Dynamic Package (provisional name) etc. (Summer 2023)
- Hokuriku Shinkansen Tsuruga extension (spring 2024)



N700S



W7 series railcars



Umekita (Osaka) underground station

Kansai Urban Area

- Umekita (Osaka) underground station (Spring 2023)
- Transition to double track on Nara Line (spring 2023)
- Naniwasuji Line (Spring 2031)

City development at bases and in areas along railway lines

Large-scale city-development projects

- Toyama: MAROOT, Hotel Vischio Toyama (March 2022)
- Osaka
 - ✓ Development of the area west of Osaka Station (March 2024)
 - ✓ New station building (Fall 2024)
 - ✓ JR WEST LABO (from spring 2023) etc.
- Hiroshima: New Station Building (spring 2025)
- Sannomiya: New Station Building (FY2030.3)
- Kyoto: Development of area northwest of station (FY2030.3)
- Okayama: Redevelopment project in urban district in front of Okayama Station (from FY2027.3)



Other projects

- SutaSST (April 2022)
- Suma Aqualife Park / Suma Seaside Park Redevelopment project (from FY2024.3)



Points for the formulation of the next Medium-Term Management Plan

Creating new mobility demand

- Expanding functionality of EX service
 - ✓ EX-MaaS (provisional name) / EX Dynamic Package (provisional name), enhancing demand forecasting, with consideration for accelerating the timing of the start of reservations
- Hokuriku Shinkansen Tsuruga extension
 - ✓ Creating/securing new tourism demand in collaboration with areas along railway lines
- Starting service for tabiwa by WESTER in Hokuriku area
 - ✓ Opening of Umekita (Osaka) underground station
- Creating new traffic flow through opening of new station and new lines

Area management

- Leveraging projects in Osaka, Hiroshima, etc. to create lively environments in surrounding areas

Making full use of growth opportunities

- Osaka/Kansai Expo
- Inbound demand recovering

15

- Next, I will discuss coexistence with local communities and city development.
- We have implemented measures from two perspectives — “improving railway networks” and “city development.”
- In the next medium-term management plan, in addition to addressing recovering demand, we will work to create new mobility demand through the enhancement of EX Service functions, the Tsuruga extension of the Hokuriku Shinkansen, etc.
- Moreover, starting with the opening next spring of the Umekita underground station, large-scale projects will be steadily opened in and around our Osaka Station, and these projects will be linked to the Osaka/Kansai Expo, which will be held in 2025.
- In addition, while leveraging the opportunity presented by the recovery in inbound demand, we will work to create lively communities and new mobility demand.
- Please turn to the next slide.

Local Lines

Disclosing information related to management circumstances on a railway line section basis

Sharing railway line section status and issues with regions along railway lines

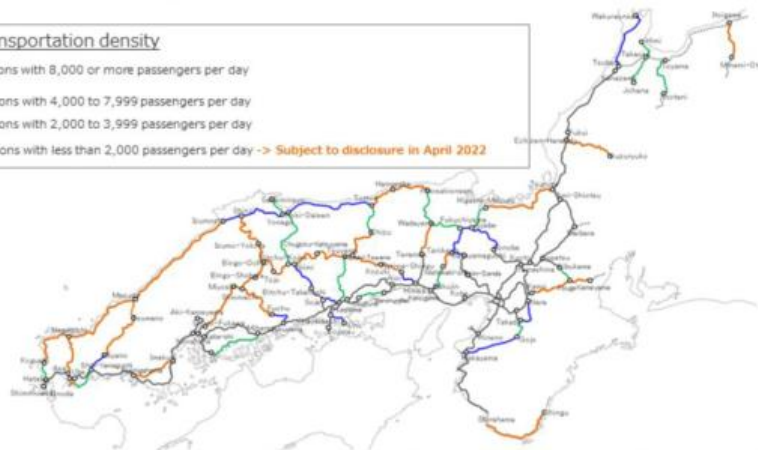
- Disclosing profitability by railway line section for 30 sections on 17 lines with a transportation density of less than 2,000 people per day (April 2022)
- Sharing with regions along railway lines the status and issues for railway line sections for which it is considered to be difficult to sufficiently demonstrate the characteristics of railways from the perspective of large-scale transportation

Working together with local communities to identify and achieve the optimal regional transportation system, which will be easier to use

- ✓ With consideration for differences in special characteristics among railway line sections and mobility needs, we will work together with regions to create the optimal regional transportation system, which will be aligned with regional city development and will be easier to use.

FY2020.3 transportation density

- Line sections with 8,000 or more passengers per day
- Line sections with 4,000 to 7,999 passengers per day
- Line sections with 2,000 to 3,999 passengers per day
- Line sections with less than 2,000 passengers per day -> Subject to disclosure in April 2022



✓ After raising the issue, started discussions in a variety of forms

16

- The realization of an optimal regional transportation system is also an important issue.
- In April 2022, we disclosed profitability, etc., for railway line sections with a transportation density of less than 2,000 people per day. In July, the opinion of a national government review meeting was released. This opinion included such matters as a proactive, leadership role for the national government. Subsequently, venues for discussion have been created in a variety of formats.
- We will continue to share with people in areas along railway lines the circumstances and issues of railway line sections. Going forward, we would like to continue to conduct a wide range of discussions as we work toward the realization of a sustainable public transportation system that is easier to use.
- Please turn to the next slide.

Digital Strategy

Regional invigoration measures using ICOCA

- Region-limited point service in Niimi City, Okayama Prefecture (October 2022)

ICOCA and Plus

- ICOCA commuter pass considered to be fan club membership card, special benefits awarded. Implementing test marketing through tie-up with WESTER (November 2022)

Collaborating in the establishment of regional mobility

- Reservations for on-demand tourism bus in Kinokuni Green/Yumura Green area (September 2022)

Reference indicators

	FY21.3	FY22.3
Sanyo Shinkansen reserved seats Internet reservation ratio	46%	51%
Kansai Urban Area IC usage ratio	84%	87%
Number of J-West Net Members	Approximately 4.5 million	Approximately 4.6 million

Points for the formulation of the next Medium-Term Management Plan

Top-line growth at existing businesses

- Working to invigorate the western Japan area by increasing mobility opportunities and expanding regional consumption through the use of WESTER points
- By making it possible for points to be accumulated and used, we will aim for about 10 million point users at the end of FY2028.3.

Higher earnings per customer
 ✓ Increase In active IDs
 X Leading to growth in earnings

- The next topic is our digital strategy.
- In addition to the release of Mobile ICOCA (provisional name) next spring, we will launch WESTER points, which will combine Group IDs and points.
- In the next medium-term management plan, we will strengthen Group marketing and work to enhance the appeal of the point system. In this way, we will strive to increase usage and realize top-line growth.
- Please turn to the next slide.

Creating New Value

- Utilizing **existing assets** as a strength, we are working together with various **external partners** to take on the challenge of **value creation**.
- We have cultivated solutions capabilities in our problem resolution activities and our businesses, and we are searching for opportunities to provide these capabilities to other companies in our industry as well as to companies in other industries.

Contributing to the creation of a safe, secure society with the use of AI technology

- Image analysis technology developed by the Company included in surveillance camera system from Kumahira Co., Ltd.
- The AI analyzes people and objects recorded by the camera and detects people's movements and objects that it has previously learned



Open innovation initiatives among railway operators

- Identifying common issues in operations and maintenance and searching for methods of resolving social issues in local communities
- ✓ "Scomm" terminal for the simple provision of information at unstaffed stations
- ✓ Train vibration judgment system using smartphones

CBM solutions for station equipment

- We are expanding the range of machines in which these solutions are utilized to include ticket sales and payment machines.
- Orders from multiple companies

Telecommunications business utilizing the railway business optical-fiber network

- Opening up the railway business optical-fiber network, which offers high-quality, high-stability, and high-reliability
- Taking on the challenge of business development initiatives that find new uses for existing business assets



Cargo transportation

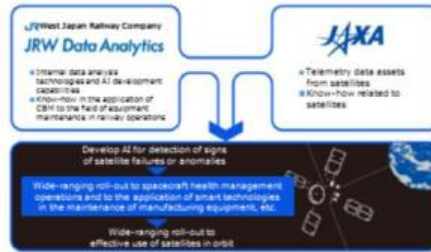
- We have started regular cargo transportation on the Sanyo Shinkansen, Hokuriku Shinkansen, and Hakubi Line
- ✓ Launched Kanazawa Station counter for Hako-byun Quick

Trial "non-urban living" project

- In collaboration with Tamba-Sasayama City, Hyogo Prefecture; Nantan City, Kyoto Prefecture; and Takashima City, Shiga Prefecture, we are providing an environment for appealing "non-urban living."

Co-creation activities with JAXA using failure prediction AI technology

- Combining JR-West's data analysis / AI development technologies related to equipment maintenance in the railway business, and the Company's know-how regarding the implementation of those technologies, with JAXA's telemetry data assets from satellites and operational know-how related to satellites
- Taking on the challenge of satellite predictive maintenance by developing AI for detection of signs of satellite failures or anomalies



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Exhibit at CEATEC, first for a railway operator

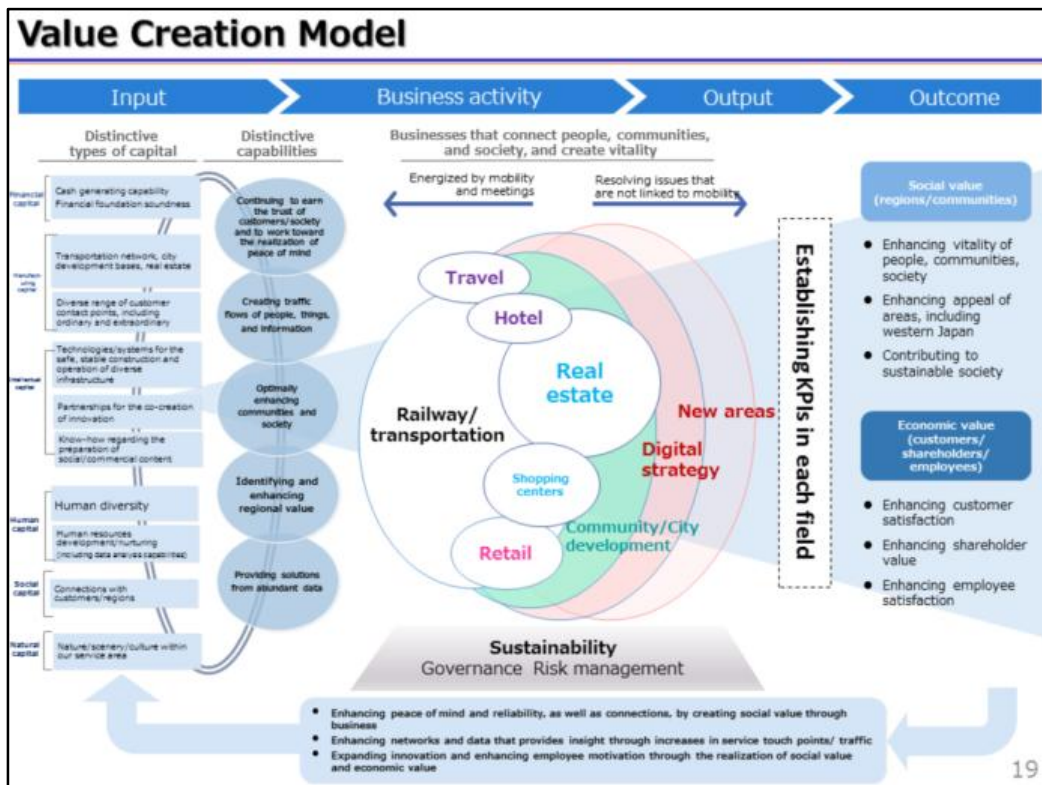


Points for the formulation of the next Medium-Term Management Plan





Taking on the challenge of building a new pillar of earnings that is not linked to mobility

- Making full use of existing assets. Focusing on businesses that can scale
- Strengthening ability to address change by building a so-called "Exploiting and Exploring" framework

- This slide covers the creation of new value.
- Up to now, solutions developed by the Group have been provided not only to companies in the same industry but also to businesses in other industries.
- Working together with JAXA, we have started co-creation initiatives related to predictive maintenance for satellites. These initiatives leverage technologies related to maintenance in the railway business.
- In the next medium-term management plan, we will leverage the strengths of existing assets and take on the challenge of building earnings pillars that are not linked to mobility.
- Please turn to the next slide.



- In parallel with the formulation of the next medium-term management plan, we are advancing consideration of our value creation model.
- In order to further increase value for stakeholders, we will work together with stakeholders to deepen consideration of such issues as what types of business fields the Group can grow and what types of business fields we can enter.
- In the next medium-term business plan, to invigorate railways, we will work to enhance safety, implement structural reforms to improve profitability, and strive to create mobility demand, centered on the Shinkansen.
- In addition, we will work to further advance Community/City development, expand synergies, and create demand.
- Moreover, we will leverage our significant customer contact points and advance our digital strategy to expand areas where Group synergies can be realized in line with the needs of individual customers.
- Furthermore, we will leverage our strengths through these initiatives, and expand our businesses in new fields that are not linked to mobility. In this way, we will strive to contribute to the creation of a safe, comfortable society filled with meetings among people and smiles.
- As I mentioned, we will strive to deepen our examination and meet expectations while engaging in dialog with stakeholders.
- This concludes my portion of today's presentation.

 1	FY2023.3 2Q Results and Full-Year Forecasts: Overview	Page 3
 2	Progress with the Formulation of the next Medium-Term Management Plan	Page 10
 3	FY2023.3 2Q Results and Full-Year Forecasts: Details	Page 21
	Appendix	Page 32

Financial Highlights

¥ Billions

	6 months ended Sep. 30, 2021	6 months ended Sep. 30, 2022	YOY		Results FY2022.3	Forecasts FY2023.3 As of Nov. 1*	YOY	
			Increase/ (Decrease)	%			Increase/ (Decrease)	%
	A	B	B-A	B/A-1	C	D	D-C	D/C-1
[Consolidated]								
Operating Revenues	436.8	616.7	179.8	41.2	1,031.1	1,309.0	277.8	27.0
Operating Income (Loss)	(86.1)	33.8	119.9	—	(119.0)	30.0	149.0	—
Recurring Income (Loss)	(87.4)	27.7	115.1	—	(121.0)	13.5	134.5	—
Income (Loss) attributable to owners of parent	(68.6)	64.5	133.1	—	(113.1)	58.5	171.6	—
[Non-Consolidated]								
Operating Revenues	251.9	367.2	115.3	45.8	577.6	769.0	191.3	33.1
Transportation Revenues	210.0	320.7	110.7	52.7	487.6	673.0	185.3	38.0
Operating Expenses	332.8	346.3	13.5	4.1	704.6	764.5	59.8	8.5
Personnel costs	90.2	88.5	(1.6)	(1.8)	180.7	177.5	(3.2)	(1.8)
Non personnel costs	147.9	163.3	15.3	10.4	334.7	397.5	62.7	18.8
Energy costs	19.0	26.0	6.9	36.7	40.8	59.0	18.1	44.6
Maintenance costs	55.5	54.6	(0.8)	(1.6)	136.7	151.0	14.2	10.5
Miscellaneous costs	73.4	82.6	9.2	12.6	157.2	187.5	30.2	19.3
Depreciation and Amortization	62.2	60.6	(1.6)	(2.6)	127.2	125.5	(1.7)	(1.4)
Operating Income (Loss)	(80.9)	20.9	101.8	—	(127.0)	4.5	131.5	—
Recurring Income (Loss)	(86.9)	13.5	100.5	—	(138.2)	(10.0)	128.2	—
Net Income (Loss)	(63.8)	58.6	122.4	—	(121.6)	48.0	169.6	—

Note: Figures in brackets () are negative values.
*Forecasts have not been revised since Aug. 2, 2022.

Non-Consolidated Financial Results and Forecasts

\$ Billions

	6 months ended Sep. 30, 2021	6 months ended Sep. 30, 2022	YOY		Results FY 2022.3	Forecasts FY 2023.3 As of Nov. 1*	YOY	
			Increase/ (Decrease)	%			Increase/ (Decrease)	%
			B-A	B/A-1			D-C	D/C-1
	A	B			C	D		
Operating Revenues	251.9	367.2	115.3	45.8	577.6	769.0	191.3	33.1
Transportation revenues	210.0	320.7	110.7	52.7	487.6	673.0	185.3	38.0
Other	41.9	46.5	4.6	11.0	89.9	96.0	6.0	6.7
Operating Expenses	332.8	346.3	13.5	4.1	704.6	764.5	59.8	8.5
Personnel costs	90.2	88.5	(1.6)	(1.8)	180.7	177.5	(3.2)	(1.8)
Non-personnel costs	147.9	163.3	15.3	10.4	334.7	397.5	62.7	18.8
Energy costs	19.0	26.0	6.9	36.7	40.8	59.0	18.1	44.6
Maintenance costs	55.5	54.6	(0.8)	(1.6)	136.7	151.0	14.2	10.5
Miscellaneous costs	73.4	82.6	9.2	12.6	157.2	187.5	30.2	19.3
Rental payments, etc.	13.2	13.2	(0.0)	(0.1)	26.7	27.0	0.2	0.8
Taxes	19.1	20.5	1.4	7.4	35.1	37.0	1.8	5.3
Depreciation and Amortization	62.2	60.6	(1.6)	(2.6)	127.2	125.5	(1.7)	(1.4)
Operating Income (Loss)	(80.9)	20.9	101.8	—	(127.0)	4.5	131.5	—
Non-operating revenues and expenses, net	(6.0)	(7.3)	(1.2)	—	(11.2)	(14.5)	(3.2)	—
Non-operating revenues	5.5	3.6	(1.8)	—	13.3	8.0	(5.3)	—
Non-operating expenses	11.6	10.9	(0.6)	—	24.6	22.5	(2.1)	—
Recurring Income (Loss)	(86.9)	13.5	100.5	—	(138.2)	(10.0)	128.2	—
Extraordinary profit and loss, net	7.4	7.5	0.1	—	11.0	17.0	5.9	—
Extraordinary profit	11.8	12.4	0.5	—	54.1	18.5	(35.6)	—
Extraordinary loss	4.4	4.8	0.4	—	43.1	1.5	(41.6)	—
Net Income (Loss)	(63.8)	58.6	122.4	—	(121.6)	48.0	169.6	—

Note: Figures in brackets () are negative values.
*Forecasts have not been revised since Aug. 2, 2022.

Major Factors of Increase/Decrease in Transportation Revenues

¥ Billions

Results for 6 months ended Sep. 30, 2022					
Transportation revenues		YOY Increase/(Decrease)		Major factors	
		Amount	%		
Shinkansen	156.8	73.8	89.0	Fundamental trend 0.0%	0.0
				Special factors	
				-Decreased COVID-19 effects	71.8
					0.0
				etc.	0.0
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	123.4	25.1	25.6	Fundamental trend 0.0%	0.0
				Special factors	
				-Decreased COVID-19 effects	24.3
					0.0
				etc.	0.0
Other lines	40.3	11.6	40.6	Fundamental trend 0.0%	0.0
				Special factors	
				-Decreased COVID-19 effects	11.3
					0.0
				etc.	0.0
Conventional lines	163.8	36.8	29.0		
Total	320.7	110.7	52.7		

Note1: Revenues from luggage transportation are omitted due to the small amount.
 Note2: Figures in brackets () are negative values.

Transportation Revenues and Passenger-Kilometers Results and Forecasts

	Transportation Revenues							Passenger-Kilometers							
	Results for 6 months ended Sep. 30 (4/1-9/30)			3 months (3Q) (7/1-9/30)			FY2022.3 Results	FY2023.3 Forecast As of Nov. 1*	YoY	Results for 6 months ended Sep. 30 (4/1-9/30)			3 months (3Q) (7/1-9/30)		
	FY2022.3	FY2023.3	YoY	FY2022.3	FY2023.3	YoY				FY2022.3	FY2023.3	YoY	FY2022.3	FY2023.3	YoY
Total	210.0	320.7	110.7 52.7%	111.0	162.9	51.9 46.6%	487.6	673.0	185.3 38.0%	17,265	22,799	5,534 32.1%	8,867	11,610	2,743 30.8%
Shinkansen	82.9	156.8	73.8 89.0%	45.9	82.1	36.2 78.9%	211.6	339.0	127.3 60.2%	3,806	7,192	3,385 88.9%	2,108	3,819	1,710 81.1%
Commuter Passes	5.3	5.6	0.2 5.0%	2.6	2.7	0.1 5.0%	10.6	-	-	417	440	22 5.4%	206	216	10 5.2%
Non-Commuter Passes	77.6	151.2	73.6 94.6%	43.2	79.3	36.0 83.4%	201.0	-	-	3,388	6,751	3,363 99.3%	1,902	3,602	1,699 89.3%
Conventional Lines	127.0	163.8	36.8 29.0%	65.1	80.8	15.7 24.1%	276.0	334.0	57.9 21.0%	13,458	15,607	2,146 16.0%	6,758	7,791	1,033 15.3%
Commuter Passes	60.2	62.6	2.4 4.0%	29.7	31.1	1.3 4.5%	119.1	-	-	9,788	10,207	419 4.3%	4,739	4,972	233 4.9%
Non-Commuter Passes	66.8	101.2	34.4 51.5%	35.3	49.7	14.3 40.0%	156.9	-	-	3,670	5,399	1,728 47.1%	2,019	2,819	799 39.6%
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	98.3	123.4	25.1 25.6%	50.2	60.3	10.0 20.0%	210.7	251.0	40.2 19.1%	10,737	12,269	1,532 14.3%	5,386	6,063	677 12.6%
Commuter Passes	49.3	51.5	2.2 4.5%	24.3	25.6	1.2 5.0%	97.8	-	-	7,980	8,360	380 4.8%	3,872	4,081	208 5.4%
Non-Commuter Passes	49.0	71.9	22.9 46.9%	25.8	34.7	8.8 34.1%	112.8	-	-	2,757	3,909	1,152 41.8%	1,514	1,982	468 30.9%
Other Lines	28.7	40.3	11.6 40.6%	14.8	20.5	5.6 38.2%	65.3	83.0	17.6 27.1%	2,721	3,337	615 22.6%	1,372	1,728	356 26.0%
Commuter Passes	10.8	11.1	0.2 2.0%	5.4	5.5	0.1 2.3%	21.2	-	-	1,808	1,847	39 2.2%	867	891	24 2.8%
Non-Commuter Passes	17.8	29.2	11.4 64.2%	9.4	15.0	5.5 58.6%	44.0	-	-	913	1,489	576 63.1%	505	836	331 65.7%

*Note: Figures in brackets () are negative values.
*Forecasts have not been revised since Aug. 1, 2022.

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

\$Billions

	Results for 6 months ended Sep. 30, 2022			Major factors (YoY)
		YoY		
		Increase/ (Decrease)	%	
Personnel costs	88.5	(1.6)	(1.8)	·Decrease in personnel, etc.
Energy costs	26.0	6.9	36.7	·Increase in adjustment amount for fuel cost, etc.
Maintenance costs	54.6	(0.8)	(1.6)	·Decrease due to Cost Structure Reform, etc.
Miscellaneous costs	82.6	9.2	12.6	·Increase in revenue-linked costs, advertising expenses, and adjustment amount for fuel cost, etc.
Rental Payments, etc.	13.2	(0.0)	(0.1)	
Taxes	20.5	1.4	7.4	·Increase in business tax on corporations, etc.
Depreciation and Amortization	60.6	(1.6)	(2.6)	·Progress of depreciation, etc.
Total	346.3	13.5	4.1	

Note: Figures in brackets () are negative values.



Consolidated Financial Results and Forecasts

\$ Billions

	6 months ended Sep. 30, 2021	6 months ended Sep. 30, 2022	YoY		Results FY2022.3 C	Forecasts FY2023.3 As of Nov. 1* D	YoY	
			Increase/ (Decrease) B-A	% B/A-1			Increase/ (Decrease) D-C	% D/C-1
	A	B	B-A	B/A-1			D-C	D/C-1
Operating Revenues	436.8	616.7	179.8	41.2	1,031.1	1,309.0	277.8	27.0
Operating Expenses	522.9	582.8	59.9	11.5	1,150.1	1,279.0	128.8	11.2
Operating Income (Loss)	(86.1)	33.8	119.9	—	(119.0)	30.0	149.0	—
Non-operating revenues and expenses, net	(1.3)	(6.1)	(4.7)	—	(1.9)	(16.5)	(14.5)	—
Non-operating revenues	11.6	5.3	(6.2)	—	23.6	7.2	(16.4)	—
Non-operating expenses	13.0	11.5	(1.5)	—	25.5	23.7	(1.8)	—
Recurring Income (Loss)	(87.4)	27.7	115.1	—	(121.0)	13.5	134.5	—
Extraordinary profit and loss, net	7.5	5.2	(2.3)	—	15.4	9.0	(6.4)	—
Extraordinary profit	14.5	10.7	(3.8)	—	58.8	—	—	—
Extraordinary loss	7.0	5.5	(1.4)	—	43.3	—	—	—
Income (Loss) attributable to owners of parent	(68.6)	64.5	133.1	—	(113.1)	58.5	171.6	—
Comprehensive Income (Loss)	(67.9)	66.6	134.6	—	(112.2)	—	—	—

Note: Figures in brackets () are negative values.
*Forecasts have not been revised since Aug. 2, 2022.

Consolidated Financial Results and Forecasts (Segment Information)

	¥ Billions							
	6 months ended Sep. 30, 2021	6 months ended Sep. 30, 2022	YOY		Results FY2022.3 C	Forecasts FY2023.3 As of Nov. 1 ^{*)} D	YOY	
			Increase/ (Decrease) B-A	% B/A-1			Increase/ (Decrease) D-C	% D/C-1
A	B	B-A	B/A-1			D-C	D/C-1	
Operating Revenues^{*)}	436.8	616.7	179.8	41.2	1,031.1	1,309.0	277.8	27.0
Transportation	235.6	348.8	113.2	48.0	544.1	739.0	194.8	35.8
Retail	55.5	77.2	21.6	39.0	124.2	168.0	43.7	35.2
Sales of goods and food services	46.2	65.3	19.0	41.2	102.0	139.0	36.9	36.3
(accommodation-oriented budget hotels) ^{**)} (retails) ^{*)}	[2.7]	[4.9]	[2.1]	[78.8]	[6.2]	[12.5]	[6.2]	[99.5]
Department stores	7.3	9.6	2.2	30.3	18.1	24.0	5.8	32.5
Real estate	66.2	75.7	9.5	14.4	151.1	162.0	10.8	7.2
Shopping center	20.6	25.1	4.4	21.7	45.6	54.0	8.3	18.3
Real estate lease and sale	44.6	50.1	5.5	12.3	104.0	107.5	3.4	3.3
(real estate sales) ^{**) (retails)^{*)}}	[20.8]	[24.9]	[4.1]	[19.7]	[56.6]	[57.3]	[0.6]	[1.2]
Other businesses	79.4	114.9	35.4	44.7	211.5	240.0	28.4	13.5
Hotel	7.2	13.7	6.4	89.4	18.5	31.5	12.9	69.6
Nippon Travel Agency	34.7	62.5	27.7	79.9	95.9	111.0	15.0	15.7
Operating Income (Loss)^{*)}	(86.1)	33.8	119.9	—	(119.0)	30.0	149.0	—
Transportation	(89.9)	12.6	102.6	—	(144.3)	(11.0)	133.3	—
Retail	(6.9)	0.6	7.5	—	(8.6)	2.0	10.6	—
Sales of goods and food services	(5.3)	0.8	6.1	—	(7.1)	1.0	8.1	—
(accommodation-oriented budget hotels) ^{**) (retails)^{*)}}	[(2.6)]	[(1.1)]	[1.4]	—	[(4.3)]	[(2.9)]	[2.3]	—
Department stores	(1.5)	(0.3)	1.1	—	(1.4)	0.5	1.9	—
Real estate	16.1	18.1	2.0	12.8	30.0	35.0	4.9	16.6
Shopping center	1.7	3.5	1.8	104.6	4.5	7.0	2.4	54.1
Real estate lease and sale	10.2	11.8	1.6	15.7	17.2	20.0	2.7	15.9
(real estate sales) ^{**) (retails)^{*)}}	[2.1]	[4.1]	[1.9]	[89.6]	[6.4]	[7.2]	[0.7]	[12.3]
Other businesses	(6.1)	0.4	6.6	—	2.9	7.0	4.0	135.1
Hotel	(5.8)	(2.2)	3.5	—	(9.0)	(4.0)	5.0	—
Nippon Travel Agency	0.1	3.1	3.0	—	2.4	0.0	(2.4)	—

Note: Figures in brackets () are negative values.

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

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

*3 Forecasts have not been revised since Aug. 2, 2022.

Major Factors of Increase/Decrease in Each Segment

¥ Billions

			Results for 6 months ended Sep. 30, 2022			
			YoY		Major factors (YoY)	
			Increase/ (Decrease)	%		
Retail	Sales of goods and food services	Operating Revenues	65.3	19.0	41.2	-Moderate recovery in demand (stores within railway stations, VIAINN), etc.
		Operating Income	0.8	6.1	-	
	Department stores	Operating Revenues	9.6	2.2	30.3	-Moderate recovery in demand, etc.
		Operating Loss	(0.3)	1.1	-	
Real estate	Shopping center	Operating Revenues	25.1	4.4	21.7	-Increase in rent income due to a recovery in tenant sales, and new opening of MAROOT Toyama, etc.
		Operating Income	3.5	1.8	104.6	
	Real estate lease and sale	Operating Revenues	50.1	5.5	12.3	-Full-year effect of new opening of lease properties, and increase in sales to investors, etc.
		Operating Income	11.8	1.6	15.7	
Other Businesses	Hotel	Operating Revenues	13.7	6.4	89.4	-Moderate recovery in demand (the accommodation department), etc.
		Operating Loss	(2.2)	3.5	-	
	Nippon Travel Agency	Operating Revenues	62.5	27.7	79.9	-Increase in travel and non-travel related business, etc.
		Operating Income	3.1	3.0	-	

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 of Cash Flows

	¥Billions		
	As of Mar. 31, 2022	As of Sep. 30, 2022	Difference increase/(decrease)
	A	B	B-A
Assets	3,702.4	3,677.5	(24.9)
Liabilities	2,628.2	2,550.2	(77.9)
Net assets	1,074.2	1,127.2	53.0
Balance of Long-term Debt and Payables	1,724.8	1,694.2	(30.5)
[Average interest rate (%)]	[1.17]	[1.19]	[0.02]
Shinkansen Purchase Liability	99.8	99.2	(0.5)
[Average interest rate (%)]	[6.55]	[6.55]	[-]
Bonds	974.9	974.9	0.0
[Average interest rate (%)]	[0.98]	[0.98]	[-]
DER	1.8	1.7	(0.1)
Equity ratio (%)	26.2	27.8	1.6
Net assets per share (¥)	3,973.15	4,190.50	217.35

	6 months ended Sep. 30, 2021	6 months ended Sep. 30, 2022	YoY increase/(decrease)
	A	B	B-A
Cash flows from operating activities	(95.7)	82.8	178.6
Cash flows from investing activities	(73.0)	(59.3)	13.6
Free cash flows	(168.7)	23.5	192.2
Cash flows from financing activities	433.6	(43.7)	(477.4)
Change in cash and cash equivalents, net	264.9	(20.2)	(285.1)
Cash and cash equivalents at the end of the period	474.9	299.3	(175.6)

Note: Figures in brackets () are negative values.

Other Data

Persons, ¥Billions





	6 months ended Sep. 30, 2021	6 months ended Sep. 30, 2022	Results FY2022.3	Forecasts FY2023.3 As of Nov. 1 ^{**}
ROA (% Consolidated)	—	0.9	—	0.8
ROE (% Consolidated)	—	6.5	—	5.9
EBITDA (Consolidated) ^{**}	(7.3)	111.7	42.9	193.0
Depreciation (Consolidated)	78.1	77.9	160.8	163.0
Capital Expenditures (Consolidated, own fund)	73.4	67.3	213.1	245.0
Capital Expenditures (Non-consolidated, own fund)	45.5	42.1	149.4	164.0
Safety related capital expenditure	26.5	18.3	83.0	73.0
Dividends per share (¥)	50.0	50.0	100.0	100.0

	6 months ended Sep. 30, 2021		6 months ended Sep. 30, 2022		Results FY2022.3		Forecasts FY2023.3 As of Nov. 1 ^{**}	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	47,611	22,958	45,393	21,823	46,779	22,715	—	—
Financial Expenses, net	(8.7)	(8.8)	(9.8)	(8.8)	(18.1)	(18.8)	(19.8)	(18.1)
Interest and dividend income	1.9	1.8	0.6	1.6	3.2	2.4	1.2	2.6
Interest expenses	10.6	10.6	10.4	10.4	21.4	21.2	21.0	20.8

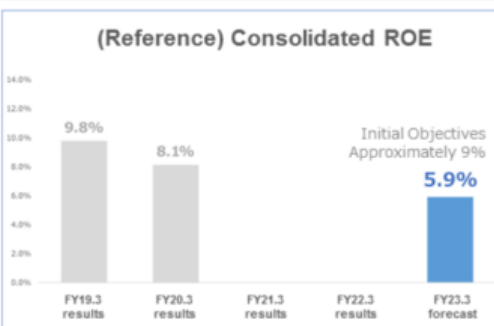
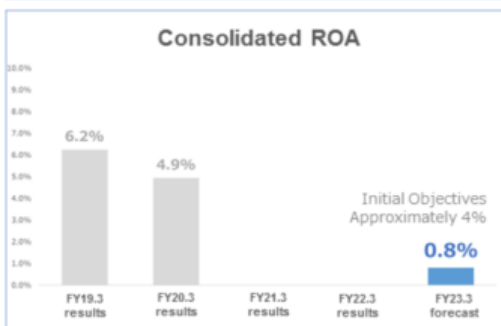
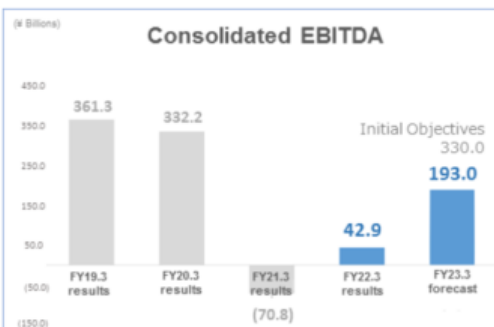
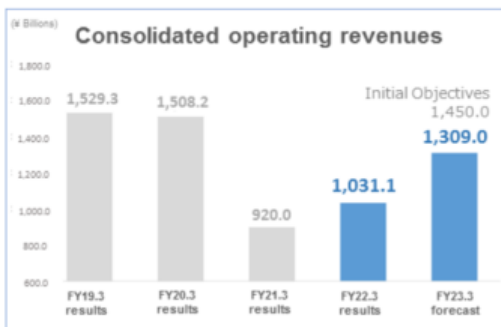
Note: Figures in brackets () are negative values.

^{**} EBITDA = Operating Income (Loss) + Depreciation + Amortization of goodwill

^{**} Forecasts have not been revised since Aug. 2, 2022.

 1	FY2023.3 2Q Results and Full-Year Forecasts: Overview	Page 3
 2	Progress with the Formulation of the next Medium-Term Management Plan	Page 10
 3	FY2023.3 2Q Results and Full-Year Forecasts: Details	Page 21
	Appendix	Page 32

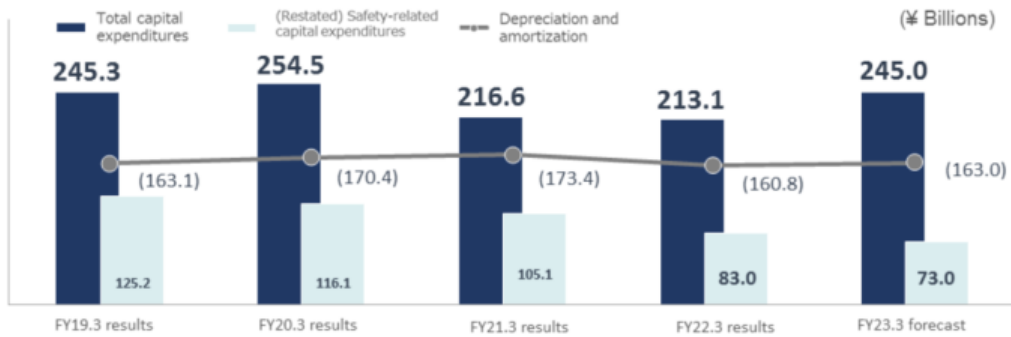
Management Indices (KPI)



*For FY2021.3 and thereafter, figures are after the application of the "Accounting Standard for Revenue Recognition" (excluding initial estimates for FY2023.3).

Capital Expenditures

Trend in capital expenditures (full-year)



Total capital expenditures during the medium-term management plan period



FY2022.3 full-year results

By segment	
Transportation	¥168.4 billion
Retail business	¥1.9 billion
Real estate business	¥61.3 billion
Other	¥5.2 billion

• Including externally funded construction ¥23.7 billion

Major capital expenditure projects for FY2022.3

Capex for growth	
<ul style="list-style-type: none"> Railway business <ul style="list-style-type: none"> Sanyo Shinkansen N700S Hokuriku Shinkansen W7 series Mobile IC/CCA (provisional name) New station in Umekita 	<ul style="list-style-type: none"> Non-railway businesses <ul style="list-style-type: none"> Large-scale city-development projects in Osaka and Hiroshima
Safety-related Capex	
<ul style="list-style-type: none"> Rolling stock replacement/renovation <ul style="list-style-type: none"> 225 series, etc. 	<ul style="list-style-type: none"> Safety/disaster-prevention measures <ul style="list-style-type: none"> Platform safety measures Earthquake countermeasures, etc.

Invigoration of Railways and Structural Reforms in Each Business

- We will work to reform the profit structure and enhance our ability to address change by revising portfolios and business processes in each business.
- Nippon Travel Agency has revised its medium-term management plan and is advancing a thorough revision of its business model.

Retail	Major Initiatives
Increasing profitability/asset efficiency at existing stores	
<ul style="list-style-type: none"> • Increasing store profitability by optimizing/strengthening operational systems 	<ul style="list-style-type: none"> • Closing certain unprofitable stores and utilizing sites <ul style="list-style-type: none"> ✓ Convenience stores: FY2022.3, decrease by 14 stores; FY2021.3, decrease by 26 stores • Changing merchandising to address diversifying needs <ul style="list-style-type: none"> ✓ Eki Marche Osaka renovation (Phase 1: October 2021, Phase 2: summer 2022) • Profit structure reform for the VIA-INN business <ul style="list-style-type: none"> ✓ Reducing FY2023.3 break-even point by more than 10% (vs. FY2019.3, existing-location basis)
Other Businesses	Major Initiatives
<ul style="list-style-type: none"> ■ Hotel 	
Rebuilding brands and lowering break-even point	
<ul style="list-style-type: none"> • Reducing fixed costs through profit structure reform • Enhancing brand power as a chain 	<ul style="list-style-type: none"> • Lowering break-even point <ul style="list-style-type: none"> ✓ Reduced FY2022.3 break-even point by 5% (vs. FY2019.3) • Implementing tie-up with Marriott International <ul style="list-style-type: none"> ✓ Opening hotel as part of "Umeda 3-Chome Plan (provisional name)" (Development of former site of Osaka central post office)
<ul style="list-style-type: none"> ■ Nippon Travel Agency: New medium-term management plan 	
Achieving structural change / increasing profitability	
<ul style="list-style-type: none"> • Expand earnings in the solutions business • Improvement of profit margin through optimization and efficiency of store/personnel structure 	<ul style="list-style-type: none"> • Solutions business earnings share <ul style="list-style-type: none"> ✓ FY 2026.3: 68% (FY2020.3: 40%; FY2022.3: 68%) • Increasing profitability <ul style="list-style-type: none"> ✓ FY2026.3 operating profit margin: 5.0% (FY2020.3: 2.3%; FY2022.3: 8.5%) ✓ Increasing "Akai Fusen" Internet sales ratio ✓ Optimizing number of stores, personnel systems



Umeda 3-Chome Plan (provisional name)
Upper floors 20 to 38: guest room floors

Invigoration of Railways and Structural Reforms in Each Business

- We will work to recombine assets and increase asset efficiency and to address new city-development opportunities.
- In addition to establishing a second fund, we will accept asset management business. We are moving ahead with private REIT establishment preparations and with the strengthening of asset management and property management operations.

Real estate

Major Initiatives

Increasing railway belt value, regional value

- Area management in cooperation with regional and government institutions
- Capturing city-development opportunities with various business initiatives

Redevelopment of area southwest of Toyama Station

- Evolution of a new base that will help to support the invigoration of the area in front of the station, as a showcase of station-area operations.
- Opening of the JR Toyama Station Building, which will host a MAROOT commercial facility and Hotel Vischio Toyama (March 2022)
- ✓ Contributing to the creation of lively environments around the station, including existing facilities in the area

Businesses enhancing the area in front of Toyama Station

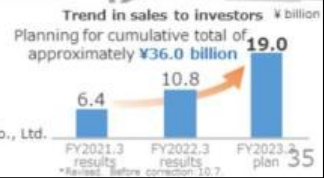
- Hokuriku Shinkansen construction business
- Grade separation project near Toyama Station
- Land readjustment project in the area surrounding Toyama Station
- Streetcar north-south connection, etc.



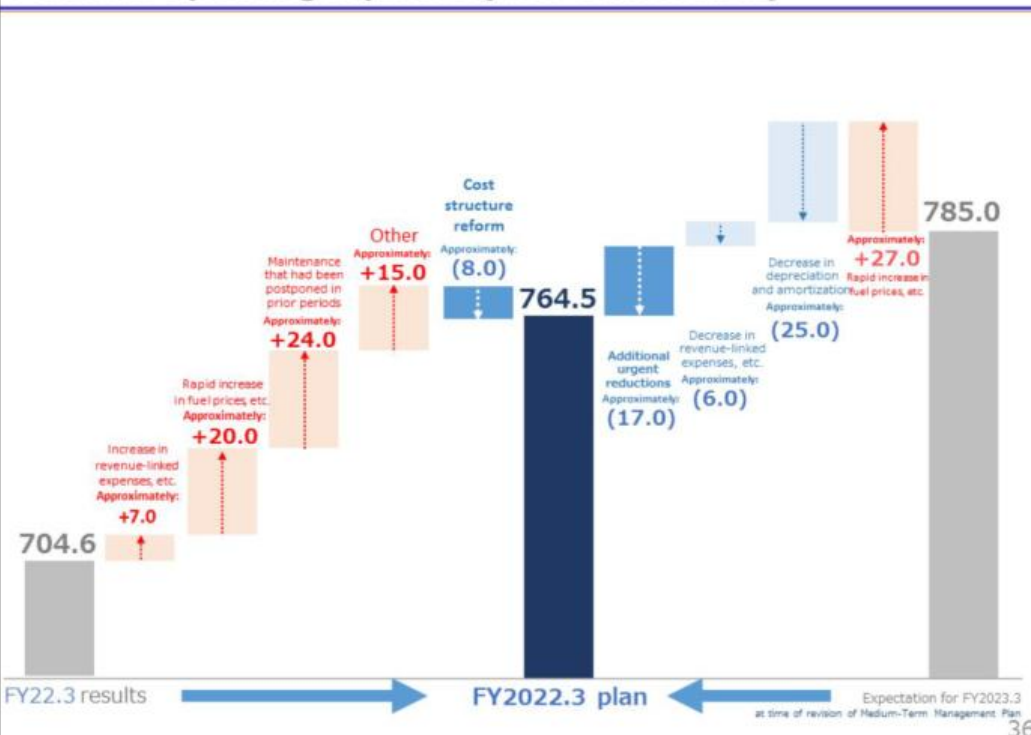
Increasing asset efficiency

- Maximizing portfolio value through asset recombination / asset turnover type businesses
- Securing new sources of earnings by expanding asset management operations

- Expanding sales to investors
- Establishing second real estate fund (March 2022) (asset scale: approximately ¥14.0 billion)
- Preparing for establishment of private REIT (planned for FY2024.3)
- ✓ Aiming for asset scale of ¥70.0 billion (FY2028.3)
- Established JR West Real Estate Asset Management Co., Ltd. (July 2022)



FY2023.3 Operating Expenses (Non-consolidated)



Organizational Structure Reform

- Through consistent organizational structure reforms, we will build a system for the rapid Groupwide implementation of strategies.

Board of Directors

Facilitating prompter, more-resolute decision-making, strengthening monitoring function

- Transitioning to a company with an audit and supervisory committee (June 2022)
- Delegating significant authority to executive departments, shifting to strategic discussions
- Defining the skills that are believed to be important for the promotion of strategies in the future and establishing a system with teams that have those skills

Skills considered to be important (skill matrix)



President (Group Management Committee)

Corporate Departments

Management resource allocation

- Corporate Strategy
- Governance

Corporate Strategy Headquarters (planned for June 2022)
Governance Promotion Headquarters (November 2020)

Synergy creation

- City development
 - Regional Revitalization and Development Headquarters (planned for June 2022)
- DX
 - Digital Solutions Headquarters (November 2020)
 - Business Design Division (June 2021)



Realizing independent, autonomous growth in competitive markets
Establishing a system of authorities and responsibilities based on individual companies

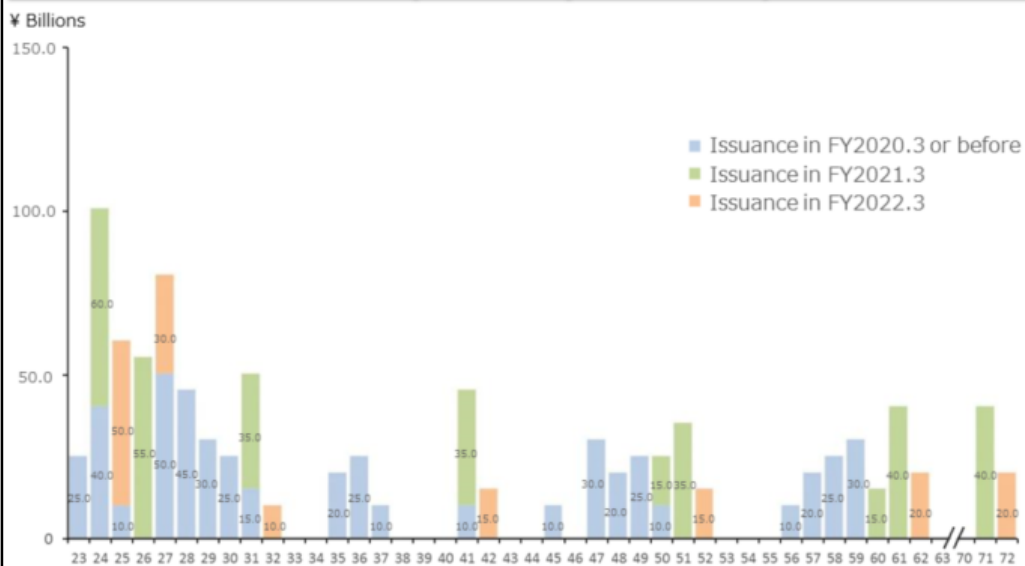
Regional institutions

Implementing railway business administration enhancement and system reinforcement, deepening initiatives for coexistence with local communities

- Reorganized Kansai Urban Area Regional Head Office, established Chugoku Regional Head Office, strengthened branch functions related to coexistence with local communities (October 2022)

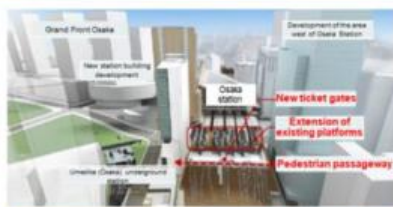
Expected bond redemption

Bond redemption amount (non-consolidated)



(Note 1): As of November 2, 2022
 (Note 2): Redemption amount is face value
 (Note 3): Horizontal axis shows fiscal years ending in March

Large-scale projects/Osaka



(1) New ticket gates / passageway located inside ticket gates

- New ticket gates under elevated tracks on west side
- Establishment of passageway located inside ticket gates that connects the new ticket gates and Umekita underground station. Opening of Umekita underground station as "Osaka Station."

(2) Development under elevated tracks

- Opening: In stages from fall 2024 to spring 2027
- Total floor space: approx. 7,000m²
- Uses: Commercial facilities, bus terminal, etc.

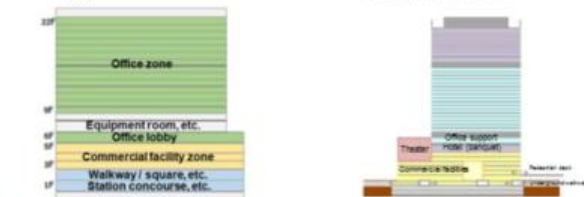


(3) New station building development

- Opening: Fall 2024
- Total floor space: approx. 60,000m²
- Scale: Above ground, 23 floors; below ground, 1 floor
- Uses: Offices, commercial facilities, etc.

(4) Development of the area west of Osaka Station (Development of former site of central post office) * Joint business activities

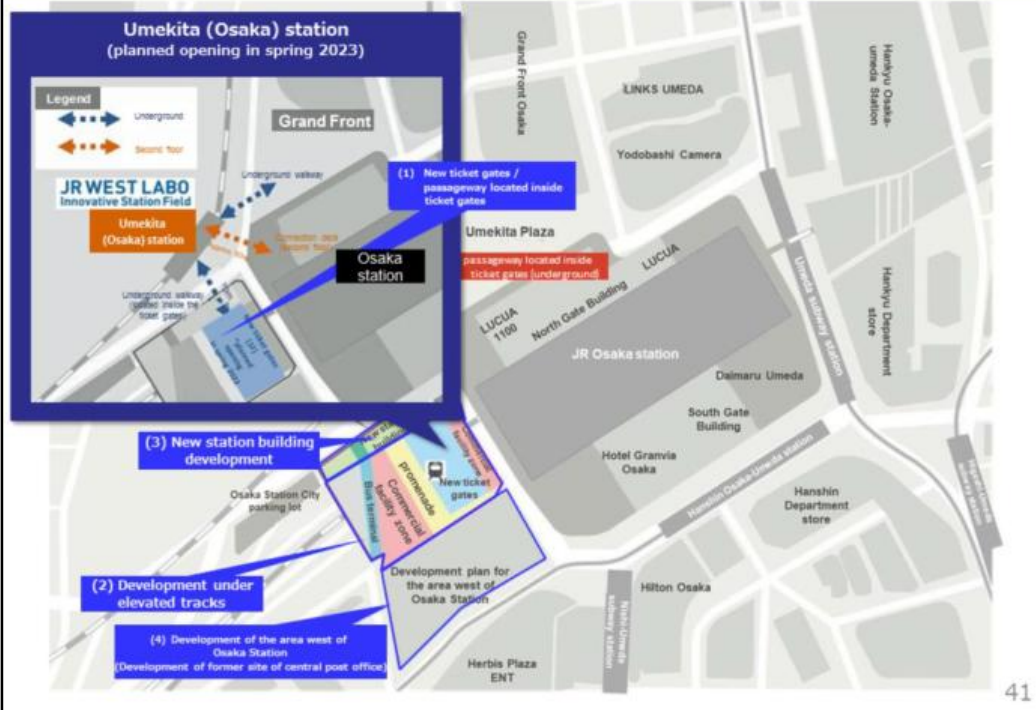
- Opening: Completion planned for Spring 2024
- Total floor space: approx. 227,000m²
- Scale: Above ground, 39 floors; below ground, 3 floors
- Uses: Offices, commercial facilities, hotels, theater, etc.



Capital expenditure: ¥100.0 billion.

(Left): Upper floors 20 to 38 are hotel guest room floors.
(Right): Illustration of the hotel front entrance (1st floor)

Large-scale projects/Osaka



Large-scale projects/Osaka

Making the Umekita (Osaka) Station into a field that is co-created with a variety of partners

JR WEST LABO Innovative Station Field



Large-scale projects/Osaka

Illustration of exterior



Concourse



Platform level



JR WEST LABO field

Above-ground section

- Opening**
- Summer 2024: Certain services will start to be made available
 - Spring 2025: Full opening
- Scale**
- Ground area: approximately 12,500㎡
 - Building: 3 stories above ground (of which, store floor space: approximately 3,750㎡)
- Uses**
- Open space in front of station: Boarding areas for tourist buses and taxis, etc.
 - Building: Open space for pedestrians, commercial facilities, connection deck, etc.

Underground portion

- Overview of facilities:**
- Underground station building, 2 island platforms for 4 lines
 - *Relocate a portion of a branch line of the Tokaido Line underground and open a new station
- Concept**
- A station that will bring a smile to your face
- Technologies that will be introduced**
- Interactive space that utilizes digital technologies
 - One-to-one digital guidance
 - Full-screen platform doors * First in the world using this method

2023
JR WEST LABO
- Innovative Station Field -
START!

Large-scale projects/Hiroshima

◆ Illustration of exterior



◆ Development overview

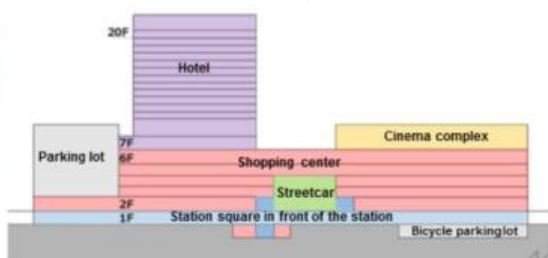
- Planned opening: Spring 2025
- Amount of investment: approximately ¥60.0 billion
- Building area: approximately 14,000㎡
- Total floor space: approximately 111,000㎡
- Scale: Above ground, 20 floors; below ground, 1 floor; height: approximately 100 m
- Uses:
 - Shopping center / cinema complex (Store floor space: approximately 25,000㎡)
 - High-class accommodation-oriented hotel Vischio (approximately 400 rooms)
 - Parking lot directly connected to station building (approximately 500 spaces)
 - Parking lot in separate building (approximately 400 spaces)

✓ Capital expenditure: ¥60.0 billion, expected EBITDA*: ¥5.0 billion
* Expectation after normal year for the entire Group, including transportation operations.

◆ Illustration of interior

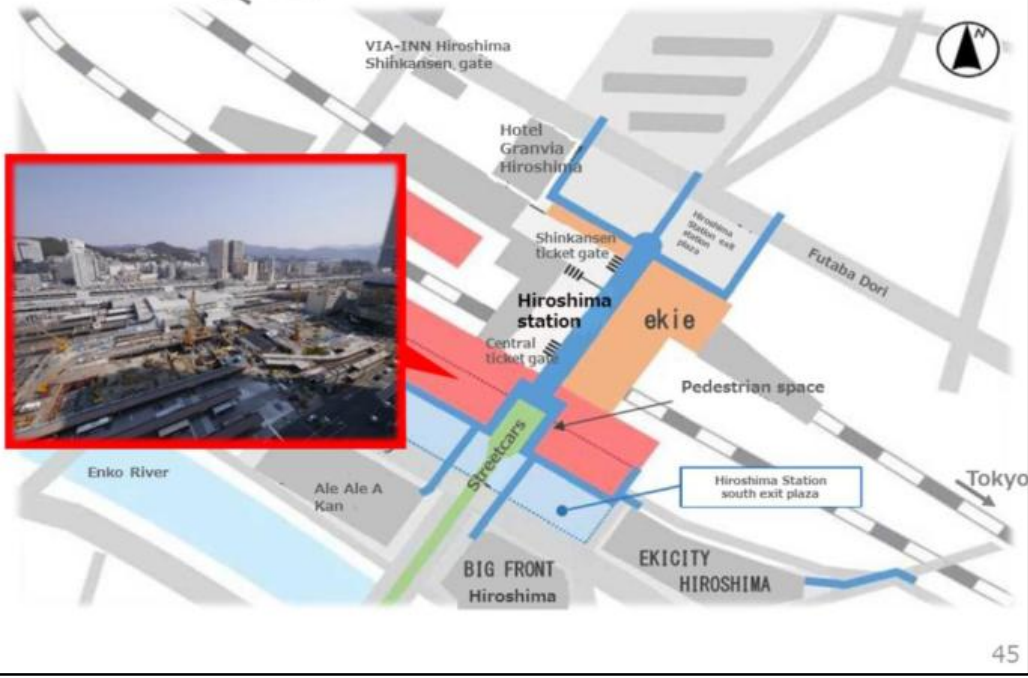


◆ Illustration of floor organization



Large-scale projects/Hiroshima

◆ Status of progress with construction
Hakata



Large-scale projects/Sannomiya

Illustration of exterior of new station building (overall view)



◆ Illustration of sky deck at open space in front of station



◆ Overview of new station building development

- Planned opening: FY2030.3
 - Joint project with Urban Renaissance Agency
- Total floor space: approximately 100,000m²
- Scale: height of approximately 160 meters
(the highest ever for a development led by JR-West)
- Uses: Commercial facilities (Store floor space: approximately 19,000m²)
 - Hotel (approximately 250 rooms)
 - Offices (leasing floor space: approximately 6,000m²)
 - Open space (Sky deck at open space in front of station)

◆ Illustration of connection flow at JR Sannomiya Station Building and the surrounding area



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, 2022 based on information available to JR-West as of November 2, 2022 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.