

## FY2024.3, 2Q Financial Results Presentation



*Connect more. Spring into the future.*

**November 1, 2023**

**West Japan Railway Company**

- I am Shoji Kurasaka, the Vice President of JR-West.
- Today, I will first present an overview of our second quarter results and earnings forecasts for the year, followed by an update on the progress in our medium-term management plan.
- Please refer to slide 2 in the presentation materials.

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FY2024.3 2Q Results and Earnings Forecasts (Overview)

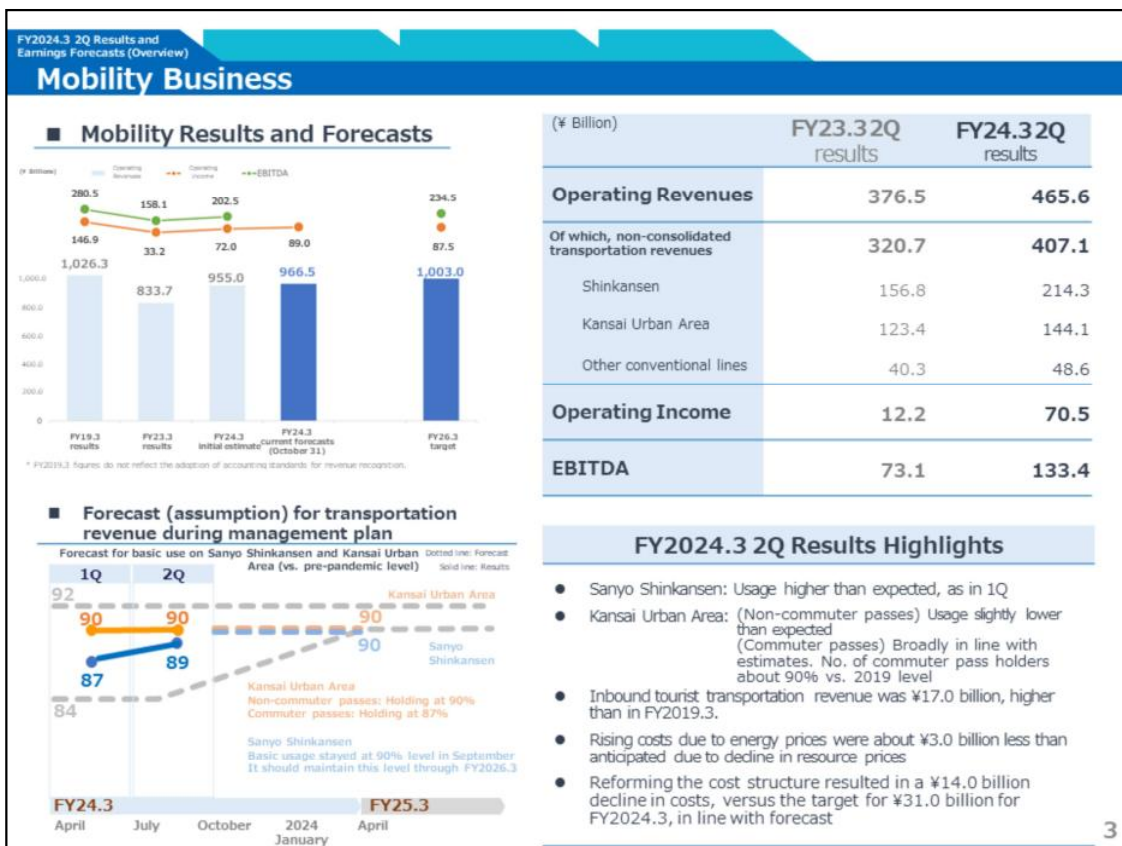
## Highlights

- In FY2024.3 2Q, consolidated and non-consolidated revenue and profit increased for a third consecutive year, thanks to a recovery in domestic travel and demand from foreign visitors to Japan.
- Transportation revenue recovered to 89.9 % of FY2020.3 level and 94.3 % of FY2019.3 level before the pandemic, reflecting the rebound in demand and measures to boost revenue.
- Efforts at reforming the cost structure resulted in a ¥14.0 billion decline in costs in 2Q, versus the target for ¥31.0 billion for FY2024.3 (non-consolidated, compared with FY2020.3).
- JR-West raised its full-year earnings forecasts to reflect 2Q results. The outlook for each business has been changed in terms of transportation revenue and costs, such as energy expenses.
- Along with changes to its earnings forecasts, JR-West increased its planned annual dividend by ¥15 to ¥115 per share, based on its shareholder return policy.

	3 months ended September 30, 2022	3 months ended September 30, 2023	YoY		FY24.3 Current estimate (October 31)	YoY		(¥Billions) vs. previous estimate Increase/(Decrease)
			Increase/(Decrease)	%		Increase/(Decrease)	%	
<b>[Consolidated]</b>								
Operating Revenues	616.7	<b>769.9</b>	+153.1	24.8%	<b>1,585.0</b>	+189.4	13.6%	+73.0
Operating Expenses	582.8	<b>663.6</b>	+80.7	13.9%	<b>1,445.0</b>	+133.4	10.2%	+48.0
Operating Income	33.8	<b>106.2</b>	+72.4	214.0%	<b>140.0</b>	+56.0	66.7%	+25.0
Recurring Profit	27.7	<b>98.4</b>	+70.7	255.4%	<b>125.5</b>	+51.8	70.5%	+26.0
Profit attributable to owners of parent	64.5	<b>67.1</b>	+2.6	4.1%	<b>80.0</b>	(8.5)	(9.6)%	+13.5
EBITDA	111.7	<b>186.1</b>	+74.3	66.5%	<b>304.0</b>	+60.3	24.8%	+25.0
<b>[Non-Consolidated]</b>								
Transportation Revenues	320.7	<b>407.1</b>	+86.4	27.0%	<b>817.0</b>	+122.4	17.6%	+10.0
Operating Expenses	346.3	<b>378.9</b>	+32.5	9.4%	<b>827.5</b>	+75.1	10.0%	(5.5)

2

- In the second quarter, reflecting a recovery in travel demand and strong inbound demand, consolidated operating revenue was ¥769.9 billion, consolidated operating income was ¥106.2 billion, and consolidated net income was ¥67.1 billion, marking the third consecutive term of revenue and profit growth.
- Operating income exceeded our estimate by approximately ¥14.0 billion due to stronger-than-expected inbound demand, a decrease in utility costs that reflects resource prices, and better-than-anticipated earnings in all businesses.
- As for cost structure reforms, we are on track with a reduction of ¥14 billion in the second quarter, as planned.
- For our full-year earnings forecasts, we revise upwards our consolidated operating revenue forecast to ¥1,585 billion, consolidated operating income forecast to ¥140 billion, and consolidated net income forecast to ¥80 billion, reflecting the first half's results and an update to our outlook for usage.
- In line with the upward revision to our earnings forecasts and our policy on shareholder returns, we increase our dividend target by ¥15 per share, for an annual dividend of ¥115 per share.
- There have been no changes to our capital investment plan since the beginning of the period.
- Next, I will summarize results in each business. Please turn to the next slide.



- Let's take a look at the mobility business first.
- For the first half, transportation revenue was ¥407.1 billion. This is 89.9% of the 2019 level, the year before the pandemic, and 94.3% of the 2018 level, exceeding our forecast by approximately ¥5 billion.
- This slide shows a breakdown of revenue from Shinkansen and conventional lines. Shinkansen revenue of ¥214.3 billion comprised ¥194.7 billion from the Sanyo Shinkansen and ¥19.6 billion from the Hokuriku Shinkansen.
- The breakdown of revenue on this slide shows Sanyo Shinkansen revenue at ¥194.7 billion and Hokuriku Shinkansen revenue at ¥19.6 billion.
- We expected basic usage of the Sanyo Shinkansen to trend around 84% from April to the end of July, and from July to September, it was slightly better at 89%. With more inbound tourists and other factors, Shinkansen revenue as a whole exceeded our expectations. On the other hand, basic usage in terms of non-commuter ridership in the Kansai Urban Area was 90%, slightly below our target of 92%.
- As for costs, structural reforms have resulted in savings of ¥14 billion, and JR-West is making steady progress towards its annual target of ¥31 billion in cost savings.
- In addition, due to a decrease in resource prices, among other factors, energy costs, such as electric power costs, have been lower than expected, resulting in operating income of ¥70.5 billion.
- Please turn to the next slide.

## Retail Business

### Retail Results and Forecasts



\* FY2019.3 figures do not reflect the adoption of accounting standards for revenue recognition.

### Outlook for FY24.3 onward

#### Sales of goods and food services:

- In FY2024.3, sales at goods retailers likely to be on par with pre-pandemic level, while sales at restaurants should reach at least 90% of pre-pandemic level

#### VIA-INN:

- JR-West forecasts FY2024.3 revenues and profits above pre-pandemic levels due in part to structural reforms; aim for ADR +5% in FY2026.3 (vs. FY2019.3) through development of Via Inn Primed

#### Department stores:

- JR-West expects sales to recover to pre-pandemic level in FY2024.3; aim to improve competitiveness with ongoing remodeling

(¥ Billion)	FY23.3 2Q results	FY24.3 2Q results
<b>Operating Revenues</b> (major breakdown)	<b>75.5</b>	<b>96.2</b>
Sales of goods and food services	65.3	84.3
Of which, VIA-INN	4.9	9.9
Department stores	9.6	11.2
<b>Operating Income</b> (major breakdown)	<b>0.5</b>	<b>6.7</b>
Sales of goods and food services	0.8	6.0
Of which, VIA-INN	(1.1)	1.2
Department stores	(0.3)	0.7
<b>EBITDA</b> (major breakdown)	<b>3.2</b>	<b>9.4</b>
Sales of goods and food services	2.7	8.0
Of which, VIA-INN	(0.3)	2.1
Department stores	0.1	1.1

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

### FY2024.3 2Q Results Highlights

- Record-high operating income in 2Q in goods and food services business, thanks to restructuring
- Sales of goods and food services: Revenue above 2019, same-store revenue on a par with 2019.  
Firm sales at convenience stores and souvenir shops
- VIA-INN: Revenue above 2019 level; 2Q ADR +10% vs. 2019
- Department stores: Kyoto store sales above the pre-pandemic level

- The next topic is the retail business.
- In the first half, revenue in the retail business increased ¥20.6 billion compared with the previous year, and operating income also increased by ¥6.2 billion to ¥6.7 billion. Sales were brisk at stores within train stations, business hotels, and department stores.
- Convenience store sales, souvenir sales, and business hotel usage have been strong. As of the second quarter, business conditions have been better than we expected. In sales of goods and food services, operating income was the highest ever for a second quarter of the fiscal year, thanks to benefits from structural reforms.
- Please turn to the next slide.

## Real Estate Business

### Real Estate Results and Forecasts



\* FY2019.3 figures do not reflect the adoption of accounting standards for revenue recognition.

### Outlook for FY24.3 onward

#### Real estate lease and sales business:

- In FY2024.3, target higher sales but lower profits, owing to timing issues in sales business and higher costs associated with projects opening in Osaka and Hiroshima

#### Shopping centers:

- JR-West forecasts shopping center sales will be in line with pre-pandemic levels in FY2024.3; aims for shopping center sales of ¥380.0 billion in FY2026.3 with opening of shopping centers in Osaka and Hiroshima

#### Hotel business:

- JR-West expects accommodations revenue to be on a par with pre-pandemic levels in FY2024.3; aims for ADR +20% in FY2026.3 (vs. FY2019.3) with opening of a new brand hotel

(¥ Billion)	FY23.3 2Q results	FY24.3 2Q results
<b>Operating Revenues</b> (major breakdown)	<b>91.0</b>	<b>102.1</b>
Real estate lease and sales business	50.1	54.6
Of which, Real estate lease	25.2	27.3
Real estate sales	24.9	27.3
Shopping center	26.7	28.9
Hotel business	13.7	18.0
<b>Operating Income</b> (major breakdown)	<b>15.9</b>	<b>21.2</b>
Real estate lease and sales business	11.8	11.1
Of which, Real estate lease	7.7	8.9
Real estate sales	4.1	2.2
Shopping center	3.5	5.3
Hotel business	(2.2)	0.1
<b>EBITDA</b> (major breakdown)	<b>30.6</b>	<b>35.8</b>
Real estate lease and sales business	20.7	20.0
Shopping center	7.0	8.7
Hotel business	(0.5)	1.6

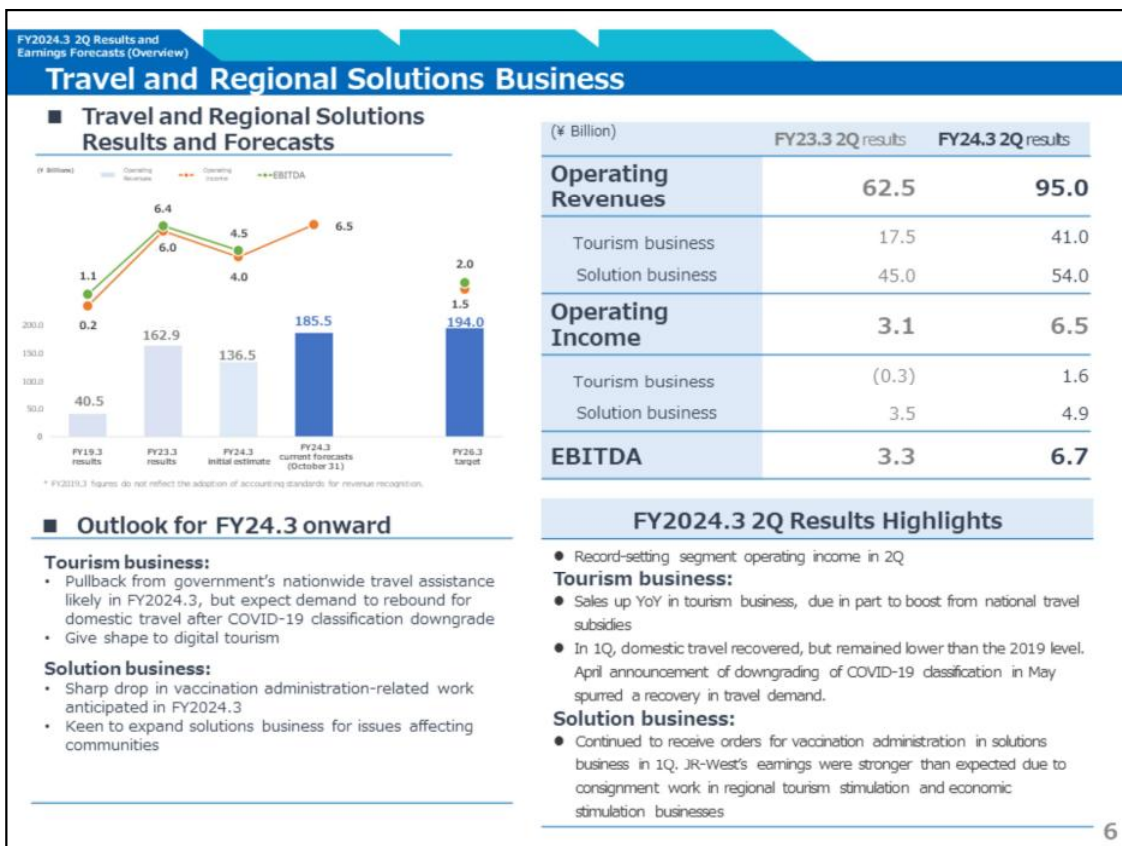
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### FY2024.3 2Q Results Highlights

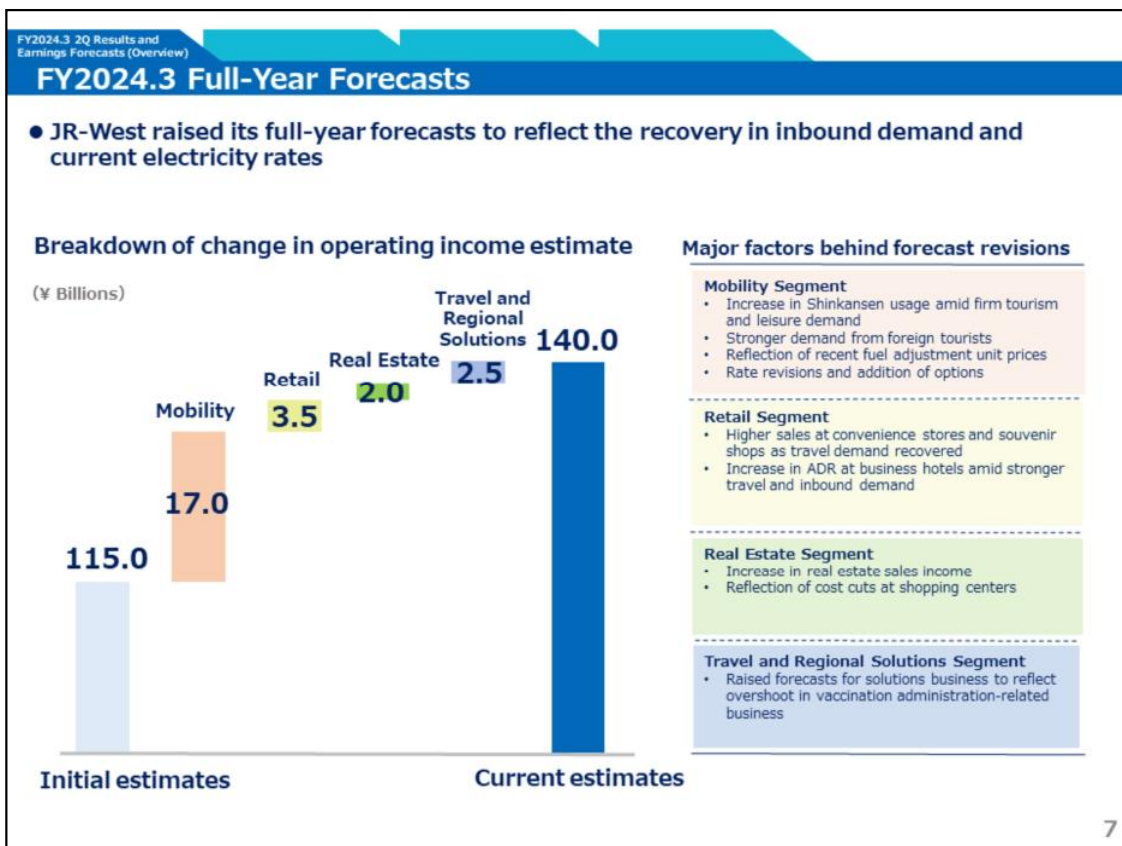
- Real estate lease and sales business: Revenue increased due to solid sales of housing. Profit declined YoY due to pullback in sales to investors. Results broadly in line with expectations
- Shopping centers: Record-high operating income in 2Q; shopping center sales in line with 2019
- Hotel business: Accommodations revenue above 2019 level; 2Q ADR +22% vs. 2019; banquet demand trending upward

- Next is the real estate business.
- In the second quarter, revenue increased by ¥11 billion over the previous year, and operating income grew by ¥5.2 billion to ¥21.2 billion.
- In real estate leasing and sales, revenue increased year on year due to strong housing sales, among other factors. Furthermore, the shopping center (SC) business and hotel business both saw increases in revenue and profit due to higher sales at SCs and growth in hotel accommodation revenue as demand rebounded. The SC business achieved its highest operating income ever for a second quarter of the fiscal year. The hotel business is also trending upward, with a recovery in banquet-related demand following the reclassification of COVID-19.
- Please turn to the next slide.



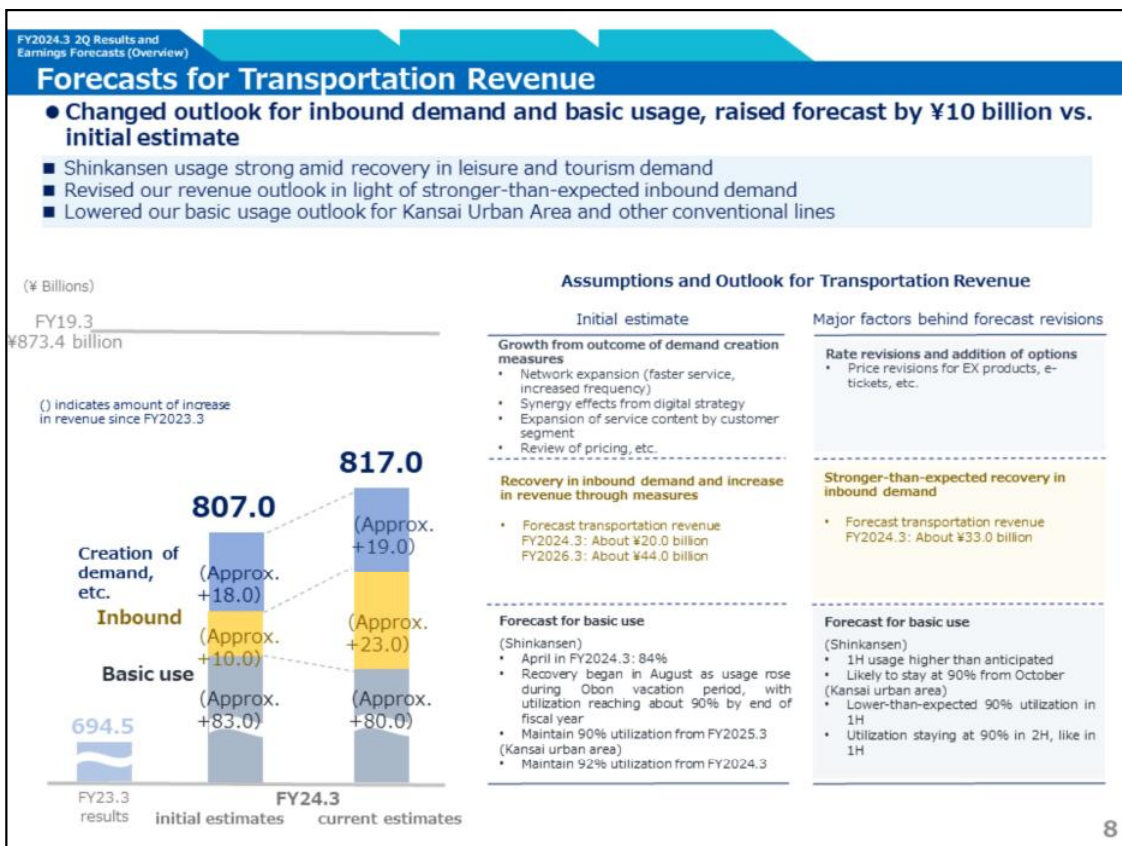


- Finally, we look at the travel and regional solutions segment.
- The tourism business saw growth in revenue over the previous year, thanks to an increase in domestic travel with support for nationwide travel by the government, and strong usage by inbound tourists. The solutions business continued to benefit from special demand related to COVID-19 in the first quarter. Overall, there was an increase of ¥32.5 billion in revenue compared with previous year, and operating income increased by ¥3.4 billion to ¥6.5 billion, making it the highest profit ever for a second quarter of the fiscal year.
- In addition to the solutions business, domestic travel and inbound tourism in the tourism business continue to stay strong.
- Please turn to the next slide.



- I will now provide an overview of our full-year earnings forecasts.
- Overall, we raised our forecast for consolidated operating income by ¥25 billion to ¥140 billion, owing to higher-than-expected revenue driven by a recovery in leisure and tourism demand and stronger inbound tourism demand. Meanwhile, we also expect energy costs and other expenses to decrease, in light of prevailing resource prices.
- The recovery in the mobility services field has surpassed our expectations, and we expect mobility services to lead an uptrend in earnings in the second half of the fiscal year.
- In the mobility segment, in addition to these factors, we forecast an increase in profits of ¥17 billion, considering the addition of items in the fare list along with fare revisions.
- In the retail segment, convenience stores, souvenir shops and business hotels are all doing well. We have revised our outlook for the second half of the fiscal year, reflecting the better-than-expected earnings in the first half.
- In the real estate segment, JR-West increased its operating income forecast by ¥2 billion, reflecting an increase in real estate sales and a slight downward revision to the expense outlook for the shopping center business.
- For the travel and regional solutions segment, we revised our operating income forecast upwards by ¥2.5 billion, considering favorable trends in vaccine administration work and other services in the solutions business.
- To speak frankly, our earnings forecasts may appear somewhat conservative, but overall, we stand behind our current forecasts because there are still some variables at play.
- Please turn to the next slide.



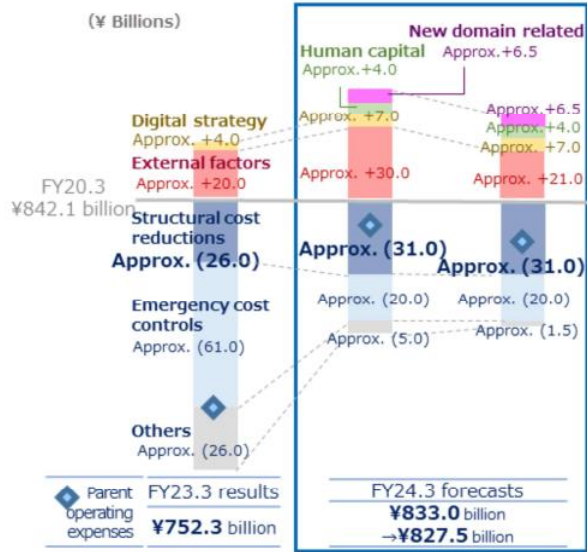


- Here, I explain the revisions to our forecasts for transportation revenue.
- Looking at basic usage, we have revised our outlook for the Shinkansen to take into account recent usage levels amid a recovery in leisure and tourism demand. We expect usage to be about 90% of the 2019 level throughout the second half of the fiscal year.
- On the other hand, in the Kansai Urban Area, non-commuter usage was around 90% of the 2019 level in the first half, and we think usage will remain at this level (90%) in the second half.
- We estimate revenue from inbound tourists will be ¥33 billion for the entire year, reflecting the recovery that has so far exceeded our expectations.
- Additionally, we have revised our forecast for transportation revenue upwards by ¥10 billion to ¥817 billion for the full year, reflecting the boost to revenues from fare and rate revisions that were not included in our initial guidance.
- Please turn to the next slide.

## Forecast for Non-Consolidated Operating Expenses

● Lowered forecast by ¥5.5 billion from initial forecast on update to assumptions for external factors, such as fuel cost adjustment

- Lowered assumption for cost increase caused by external factors (energy costs) to reflect recent exchange rates and resource prices
- No change in our FY2024.3 outlook for structural cost reductions; on pace to achieving target for ¥50.0 billion in cost reductions by FY2028.3



### Outlook for non-consolidated operating expenses

**Increase related to digital strategy**

- Point-related expenses
- System-related expenses, etc.

**New domain related**

- Comprehensive infrastructure management business related, etc.

**Strengthen human capital**

- Increase due to investment in human resources, such as securing talent and enhancing education, etc.

**External factors**

- Decrease in energy costs due to steeper-than-expected decline in resource prices

**Structural cost reductions**

- Transformation of customer services
- Transformation of railway operations
- Transformation of maintenance methods
- Organizational structure reforms

**Emergency cost controls**

- ¥20 billion reduction planned for FY2024.3 during this management plan

**Others**

- Difference in anticipated maintenance costs
- Increase in revenue-linked expenses
- Increase in disaster-related costs (alternative bus routes), etc.

- I will now discuss our forecasts for non-consolidated operating expenses.
- In light of current exchange rates and resource prices, we have lowered our estimate for growth in energy costs due to external factors by ¥9 billion, to an increase of ¥21 billion compared to FY2020.3.
- Additionally, to reflect an increase in revenue-linked costs, we have lowered our full-year forecast for non-consolidated operating expense by ¥5.5 billion from initial guidance to ¥827.5 billion.
- Regarding structural cost reductions, we are making progress as planned and there are no changes to this forecast.
- Please turn to the next slide.

## Financial Strategy/Shareholder Returns

- Approach to financial strategy based on analysis of current cost of capital

### Medium-Term Management Plan 2025 Basic Policies

#### Financial discipline

- Net interest-bearing debt / EBITDA Under 5x (FY26.3)

#### Shareholder returns

- Pay a stable dividend targeting a dividend payout ratio of at least 35%
- Implement a capital policy that takes into account opportunities while aiming for sustained improvements in corporate value

#### [Approach]

- Targets not set in stone for cost of capital and financial health as business portfolio is restructured
- Aim to improve EPS with flexible capital policy that includes share buybacks while being aware of the capital composition, and maintain cost of capital (WACC) of 3.0-3.9%
- Ensure necessary levels of financial health for an infrastructure service company when examining capital composition

### Shareholder returns in FY2024.3

- JR-West forecasts net income of ¥80.0 billion (an increase of ¥13.5 billion from its initial estimate). Based on this forecast and its minimum 35% dividend payout ratio policy, JR-West plans to distribute an annual dividend of ¥115 per share, an increase of ¥15 (¥57.5 per share for the interim dividend, ¥57.5 per share for the year-end dividend).

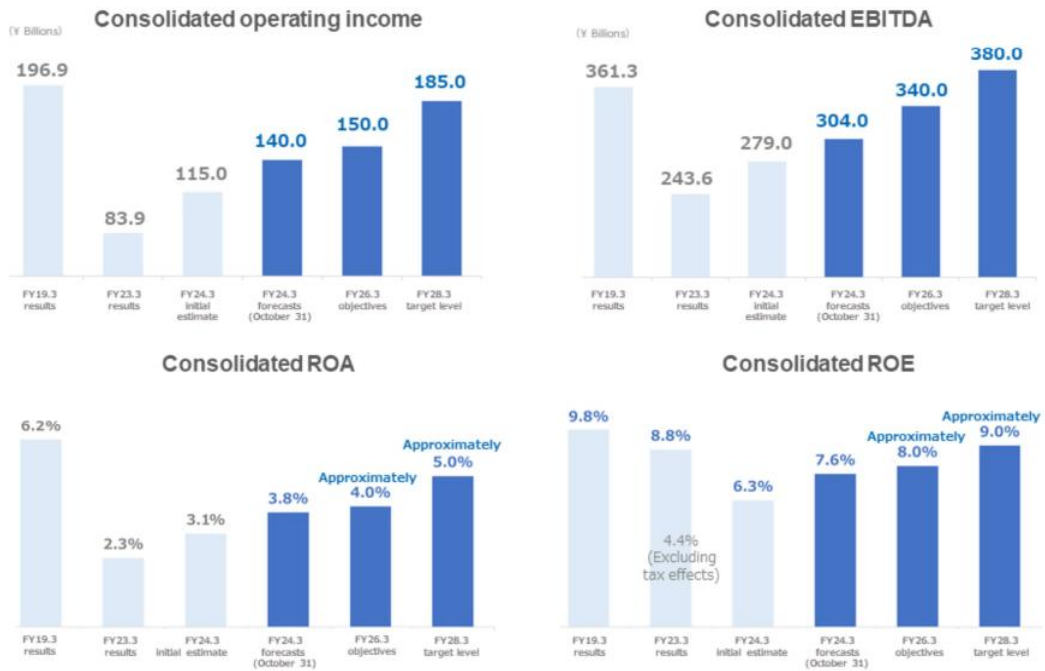
### Dividends per share (¥) since Medium-Term Management Plan 2022



- In terms of financial strategy, JR-West considers its capital structure from both the perspective of controlling capital costs and maintaining financial soundness as a company responsible for infrastructure services.
- We recognize that the appropriate level of capital costs is not fixed in place and can change with interest rate levels and the restructuring of our business portfolio. For the time being, however, we target a cost of capital of 3.0-3.9%.
- Based on this approach, JR-West will dynamically allocate resources, including for share buybacks, while aiming to increase profit levels through growth investments and working to restore earnings per share (EPS).
- We will continue to update our approach, taking into account earnings and feedback from stakeholders.
- There has been no change to our shareholder return policy since the beginning of the fiscal year. In light of the upward revision to its earnings forecasts, JR-West has increased the targeted dividend per share by ¥15, based on a dividend payout policy of at least 35%, resulting in an annual dividend plan of ¥115 per share.
- Please turn to the next slide.

## Financial Strategy/KPIs

● Steadily implementing initiatives to achieve KPIs in medium-term management plan

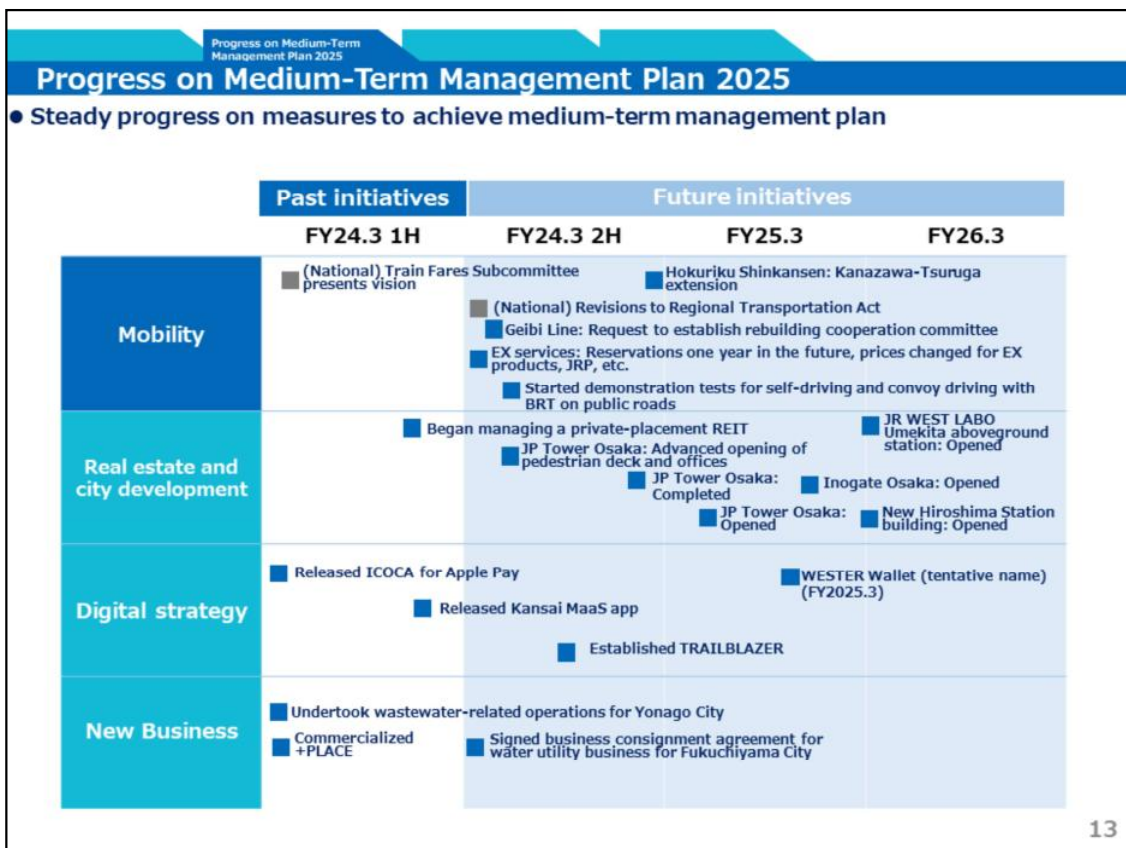


\*For FY2021.3 and thereafter, figures are after the application of the "Accounting Standard for Revenue Recognition"

- This slide shows the steady progress we are making in our financial KPIs, along with the upward revision to our earnings forecasts.
- Please turn to the next slide.

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- We are steadily making progress on various measures to realize the Medium-Term Management Plan 2025.
- This fiscal year, we are advancing businesses positioned in the life design field, including the completion of the JP Tower Osaka, one of our city development projects, as well as laying the groundwork and initiating services for our digital strategy. For the next fiscal year and beyond, we plan to open projects under development in Osaka and Hiroshima, and take steps to expand our customer base through digital strategies. Although initial outlays and costs associated with openings will increase, we will engage in these initiatives as part of a growth strategy that leverages the long-term synergies of the Group.
- While there may be more details we can provide in the future, the main measures for this fiscal year are as shown on this slide.
- I will briefly explain some of the key points among these initiatives.
- Please turn to the next slide.



Progress on Medium-Term Management Plan 2025

## Transportation Fares

● Examine possibility of revising fares with eye on direction of current system while adjusting fares within limits of notification system

<b>Notification scope</b>	<b>Continue to revise fares within limits of notification system</b>												
<ul style="list-style-type: none"> <li>● Revise transportation fares within limits of notification system while monitoring competitive landscape</li> </ul> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>(April 2023~)</p> <ul style="list-style-type: none"> <li>• Fare revisions for special railway sections in Kyoto-Osaka-Kobe area</li> <li>• Fare revisions for reserved seats on Nozomi and Mizuho express trains</li> <li>• Revisions to conventional line express fares and discounts for train connections</li> <li>• Introduction of train station barrier-free fare system, etc.</li> </ul> </td> <td style="width: 50%; vertical-align: top;"> <p>(October 2023~)</p> <ul style="list-style-type: none"> <li>• EX product price revisions</li> <li>• e-ticket price revisions</li> <li>• Japan Rail Pass price revisions, etc.</li> </ul> </td> </tr> </table>		<p>(April 2023~)</p> <ul style="list-style-type: none"> <li>• Fare revisions for special railway sections in Kyoto-Osaka-Kobe area</li> <li>• Fare revisions for reserved seats on Nozomi and Mizuho express trains</li> <li>• Revisions to conventional line express fares and discounts for train connections</li> <li>• Introduction of train station barrier-free fare system, etc.</li> </ul>	<p>(October 2023~)</p> <ul style="list-style-type: none"> <li>• EX product price revisions</li> <li>• e-ticket price revisions</li> <li>• Japan Rail Pass price revisions, etc.</li> </ul>										
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<b>Permission scope</b>	<b>Intend to examine possibility of fare revisions based on specific proposals and direction of revisions to key points in revenue-cost calculation guidelines</b>												
<p>Direction of revisions to revenue-cost calculation guidelines presented by Subcommittee on Railway Fares and Rate Systems (excerpts)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0070C0; color: white;"> <th style="text-align: left;">Issues</th> <th style="text-align: left;">Direction of revisions</th> </tr> </thead> <tbody> <tr> <td>Future investment costs</td> <td> <ul style="list-style-type: none"> <li>• Allow total costs to include depreciation expenses within a certain time period in excess of the cost calculation period (three years)</li> <li>• Allow total costs to include advance booking of depreciation expenses related to certain capital investments of high necessity in terms of government policy, such as disaster preparedness and environmental preservation</li> </ul> </td> </tr> <tr> <td>Method for calculating personnel costs</td> <td> <ul style="list-style-type: none"> <li>• Clearly reflect growth rates in actual personnel costs at railway operators based on statistical data</li> </ul> </td> </tr> <tr> <td>Changes in routine utility costs</td> <td> <ul style="list-style-type: none"> <li>• Reflect rate of change in utility rates and other charges by region based on statistical data</li> </ul> </td> </tr> <tr> <td>Sudden changes in electricity rates</td> <td> <ul style="list-style-type: none"> <li>• Continue to examine measures while considering difficulties in flexibly passing costs onto fares</li> </ul> </td> </tr> <tr> <td>Extraordinary losses from destruction of facilities in natural disasters</td> <td> <ul style="list-style-type: none"> <li>• Allow total costs to include an amount for average annual extraordinary losses over a certain period minus insurance payouts received</li> </ul> </td> </tr> </tbody> </table> <p style="font-size: small;">(Source) JR-West, based on materials published by Ministry of Land, Infrastructure, Transport and Tourism's 10th Subcommittee on Railway Fares and Rate Systems</p>		Issues	Direction of revisions	Future investment costs	<ul style="list-style-type: none"> <li>• Allow total costs to include depreciation expenses within a certain time period in excess of the cost calculation period (three years)</li> <li>• Allow total costs to include advance booking of depreciation expenses related to certain capital investments of high necessity in terms of government policy, such as disaster preparedness and environmental preservation</li> </ul>	Method for calculating personnel costs	<ul style="list-style-type: none"> <li>• Clearly reflect growth rates in actual personnel costs at railway operators based on statistical data</li> </ul>	Changes in routine utility costs	<ul style="list-style-type: none"> <li>• Reflect rate of change in utility rates and other charges by region based on statistical data</li> </ul>	Sudden changes in electricity rates	<ul style="list-style-type: none"> <li>• Continue to examine measures while considering difficulties in flexibly passing costs onto fares</li> </ul>	Extraordinary losses from destruction of facilities in natural disasters	<ul style="list-style-type: none"> <li>• Allow total costs to include an amount for average annual extraordinary losses over a certain period minus insurance payouts received</li> </ul>
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<p>The revenue-cost calculation for the total-cost method is likely to be improved. While monitoring the specifics of system design, JR-West will examine possibilities for properly revising fares in light of the competitive landscape.</p>													

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- I will discuss our initiatives related to fare rates in the mobility segment.
- First, regarding revisions to fare rates within the scope of the notification system, we have embarked on the initiatives noted in these materials starting from April or October this year, while monitoring the competitive landscape.
- On the other hand, for matters requiring approval by the government, the government's Subcommittee on Railway Fares and Rate Systems has published a draft for guidance on revisions to revenue-cost calculations, indicating that certain improvements will likely be made.
- While we understand that specific system designs are currently under consideration, we will examine the scope for fare adjustments while scrutinizing the details of these draft proposals. Moreover, in terms of fare increases, we will consider not only the standards based on the total-cost method, but also take into account the competitive environment.
- Please turn to the next slide.

Progress on Medium-Term Management Plan 2025

## Local Lines

- **Promotion of convenient, sustainable transportation systems with regions**
  - Since April 2022, JR-West has disclosed ratio of costs to revenue by railway section for 30 sections on 17 lines with transport density of less than 2,000 passengers per day.
  - On these railway sections, which account for roughly one-third of JR-West's operating kilometers, usage has decreased by about 70% since 1987. This presents a problem where the benefits of railway service (mass transport) cannot be fully leveraged. Various discussions about this issue have commenced.
  - Revisions to the Regional Transportation Act (enacted on October 1, 2023) created a framework for discussing the rebuilding of local lines, such as the rebuilding cooperation committee organized by the Ministry of Land, Infrastructure, Transport and Tourism at the request of local public organizations or railway operators.

### Geibi Line

- For the 68.5-kilometer Bitchu-Kojiro to Bingo-Shobara section, in October 2023, JR-West asked the national government to set up a rebuilding cooperation committee (a national first)
- JR-West aims to work with the region to build a convenient and optimized transportation system

### Johana Line and Himi Line

- Johana Line and Himi Line rebuilding examination committee established in July 2023
- JR-West is participating in the discussions to examine an optimal transportation system for local residents

**FY2020.3 Transport Density**

- Railway sections with more than 8,000 passengers per day
- Railway sections with 4,000 to 8,000 passengers per day
- Railway sections with 2,000 to 4,000 passengers per day
- ~2,000 passengers per day → Scope for disclosure

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- Regarding local lines, since April 2022, we have been disclosing the ratio of costs to revenue by railway section for 30 sections on 17 lines with transport density of less than 2,000 passengers per day.
- While discussions with local governments and communities have begun in various forms, the amended Regional Transportation Act was implemented this October, creating a framework for discussions on the rebuilding of local lines. JR-West was the first in Japan to request the establishment of a rebuilding cooperation committee on October 3 for the 68.5-kilometer section between Bitchu-Kojiro and Bingo-Shobara on the Geibi Line.
- For the Hokuriku region's Johana Line and Himi Line, although these sections exceed a transport density of 2,000 people, we have long been in discussions with local communities. In July, the rebuilding examination committee for the Johana Line and Himi Line was established by the community, and JR-West is participating in the discussions. We are committed to diligently engaging in discussions to consider an optimal transportation system in line with the needs of the local community.
- Please turn to the next slide.

Progress on Medium-Term Management Plan 2025

## Maximize Synergies with Digital Strategy

● **Group marketing via connections with WESTER points**

<Maximizing synergies through fan acquisition and greater usage>

- Make progress on “easy to accumulate” points in various situations (railways, Group, towns) and “easy to use” points for lineup of unique JR-West Group products, such as discount tickets for empty Shinkansen seats
- Use data and technology to get customers excited with personalized recommendations and campaigns

⇒ Create noticeably better convenience, deals and excitement with WESTER experiences to stimulate mobility and shopping demand

[Results as of end-September 2023]  
**WESTER members: 7 million\***  
 \* Increase of 1.7 million compared with FY2022.10

Mobile ICOCA user numbers : 0.83 million

“Easy to accumulate” WESTER points

“Want to use” WESTER points

Expand WESTER ecosystem

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- We have discussed our digital strategy on various occasions. We have finally been able to create a digital platform with the WESTER app, a shared group point system, and mobile ICOCA.
- By utilizing data and digital technology, we aim to individually connect each customer to the diverse services offered by the Group.
- Although we have just started various services and initiatives and are still in the phase of testing out our ideas, we are beginning to see signs of efficiency improvements through the growth of Group businesses and the utilization of vacant railway assets, such as allowing customers to use points earned from railway usage at Group shopping centers.
- As of the end of September, the number of WESTER members has reached 7 million, an increase of 1.7 million in one year. We aim to further expand the number of members, particularly active members, improve usage frequency within the Group, and increase average customer spend.
- Please turn to the next slide.



Progress on Medium-Term Management Plan 2025

## Global Environment

- As a corporate group responsible for social infrastructure, JR-West aims to improve the overall sustainability of society through efforts to protect the global environment

### Main initiatives

<b>Prevent global warming and address climate change</b> <ul style="list-style-type: none"> <li>Promote the introduction of energy-saving vehicles</li> <li>Utilize renewable energy</li> <li>Promote modal shift in passenger transportation</li> </ul>	<b>Contribute to creation of a circular society</b> <ul style="list-style-type: none"> <li>Recycle waste, such as railway materials</li> <li>Move away from plastic use</li> <li>Advance horizontal recycling of PET bottles</li> </ul>	<b>Coexist with nature</b> <ul style="list-style-type: none"> <li>Replace materials, such as paint, with low environmental impact versions</li> <li>Construction work that considers ecosystems of rivers and native species</li> <li>Reduce water usage</li> </ul>
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Instill eco-consciousness in every Group employee, steady hand in environmental management, as the foundation for efforts

Environment-related Investment Plan **About ¥85.0 billion** in FY24.3-FY26.3 \* Eligible green projects are shown in JR-West's sustainability bond framework  
**About ¥110.0 billion** in FY24.3-FY28.3

### Long-term environmental targets in JR-West Group Zero Carbon 2050

CO <sub>2</sub> emissions for entire JR-West Group <small>* Scope 1+2 (consolidated)</small>	2025 <b>35% reduction</b> compared with FY14.3	2030 <b>50% reduction</b> compared with FY14.3 <small>(Upward revision from previous 40% reduction target)</small>	2050 <b>Achieve carbon neutrality</b>
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### Key Initiatives

<b>Strengthen PR about environmental advantages of railways</b> <ul style="list-style-type: none"> <li>In unison with the railway sector, strengthen public relations about environmental advantages of railways by working to promote social understanding</li> </ul>		<b>Shinkansen to use electricity generated from renewable energy</b> <b>Begin switch to 100% electricity from renewable energy sources for trains on Osaka Loop lines and JR Yumesaki line</b> <ul style="list-style-type: none"> <li>Install solar power generation facilities for JR-West's sole use along with Kansai Electric Power and Chubu Electric Power, enter into off-site PPA for receiving electricity generated from renewable energy sources</li> <li>Target about 10% electricity from renewable energy for power used to operate Shinkansen by end of FY28.3</li> <li>Switch to 100% electricity from renewable energy for power used to operate trains on Osaka Loop lines and JR Yumesaki Line during FY24.3 (including use of non-fossil fuel certificates)</li> </ul>
<b>Carbon offset program trial</b> <ul style="list-style-type: none"> <li>Visualization of CO<sub>2</sub> emissions for business trips on railways by companies that signed up for corporate business trip online reservation services</li> <li>Framework for offsetting emissions by purchasing carbon credit and handing over invalidation notices</li> </ul>	<b>Demonstration test for using next-generation biodiesel fuel</b> <ul style="list-style-type: none"> <li>Began trial runs in July 2023 of prototype train that uses 100% next-generation biodiesel fuel</li> <li>Aim for full-scale rollout from FY26.3 after conducting long-term trial run in FY25.3 with objective of switching to 100% next-generation biodiesel fuels in diesel trains owned by JR-West.</li> </ul>	

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- This slide is about the global environment.
- In addition to our own initiatives with renewable energy, we have begun to promote behavioral changes toward a carbon-free society through efforts to communicate the environmental advantages of railways, in unison with the rest of the railway industry.
- JR-West will make the most of the transition to a carbon-free society as an opportunity, contributing to the creation of a sustainable society through Group business activities.
- Please turn to the next slide.

Progress on Medium-Term Management Plan 2025

## Human Resource Strategy

● **People are our greatest resource for creating various kinds of value; we aim to increase corporate value by drawing out their utmost capabilities**

- Workplace motivation survey conducted once each quarter, grasp problems in real time and follow up
- Deploy digital tools and reform organizational and company culture to improve employee motivation and realize work styles that create new value and effect change for society at a high frequency
- **Established TRAILBLAZER** as a subsidiary in October 2023 to hire and train advanced digital talent; aim to accelerate digital measures for JR-West Group

**Aiming for a diverse human resource portfolio**

Three pillars of human resource strategy	
<b>Training human resources</b>	Human resources with diverse skills and experiences who can work independently and autonomously
<b>Building organizations</b>	Corporate group that generates synergies and turns diverse individual characteristics into strengths
<b>Fostering cultures</b>	Culture that fosters high levels of work engagement and sense of growth
	<b>Human resources cultivation</b>
	<b>Diversity and inclusion</b>
	<b>Work engagement</b>

**Key Initiatives**

<p><b>Training of digital talent</b></p> <ul style="list-style-type: none"> <li>• Training for advanced digital talent to lead digital strategies, key people to drive DX, Groupwide initiatives targeting all employees affected by DX</li> </ul> <p>Targets for FY26.3</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 30%;">Advanced digital talent</td> <td>About 400 people Digital Solutions Headquarters and TRAILBLAZER</td> </tr> <tr> <td>Key persons for advancing DX</td> <td>About 4,000 people Information security, work design, etc.</td> </tr> <tr> <td>All employees</td> <td>About 45,000 people * Includes Group companies DX literacy training, educational material provision</td> </tr> </tbody> </table>	Advanced digital talent	About 400 people Digital Solutions Headquarters and TRAILBLAZER	Key persons for advancing DX	About 4,000 people Information security, work design, etc.	All employees	About 45,000 people * Includes Group companies DX literacy training, educational material provision	<p><b>Launch of “come back” hiring</b></p> <ul style="list-style-type: none"> <li>• As a part of initiatives to secure diverse human resources, JR-West seeks to hire back people who left to raise children or other reasons, and people who left to advance their careers</li> <li>• Learn from employees’ perspectives and values gained from working at other companies, childrearing and caregiving</li> </ul> <p><b>New systems for taking leave and moving with spouses to new work locations</b></p> <ul style="list-style-type: none"> <li>• In situations where spouses change jobs or move due to marriage, for example, systems have been set up so that employees can switch jobs to stay in their careers or take leave while continuing to live with their spouses</li> </ul>
Advanced digital talent	About 400 people Digital Solutions Headquarters and TRAILBLAZER						
Key persons for advancing DX	About 4,000 people Information security, work design, etc.						
All employees	About 45,000 people * Includes Group companies DX literacy training, educational material provision						

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- The business environment surrounding the Group is undergoing significant changes. Along with changes in management strategy, our human resource strategy has also reached a major turning point.
- Regarding work engagement, we believe that human resources are “capital with a heart,” and that the performance of each employee can vary greatly depending on their relationship with the Company and team. Through a real-time understanding the state of work engagement and related issues once every quarter, and by steadily working through the PDCA cycle for our initiatives, we aim to achieve the non-financial KPI of an “motivated workplace rate of 88%.”
- Moreover, to enhance the sense of fulfillment among our employees and to realize a way of working that frequently generates new value and change for society, we aim to become a company that can fully leverage digital technology, promoting the use of digital tools and the transformation of our organizational spirit and culture.
- To promote recruiting and developing advanced digital talent, we established TRAILBLAZER this October. By assigning personnel to each project, we aim to accelerate the realization of the JR-West Group’s digital strategies.
- Additionally, we have launched specific initiatives related to diversity and inclusion and work engagement this fiscal year, such as starting to hire back former employees and establishing a new system for employees to take a leave of absence and accompany their spouses who are being transferred.

1	FY2024.3 2Q Results and Earnings Forecasts (Overview)	Page 2
2	Progress on Medium-Term Management Plan 2025	Page 13
3	FY2024.3 2Q Results and Earnings Forecasts (Details)	Page 20
4	Appendix	Page 36

- Though I have only provided a brief explanation, details on financial results and forecasts as well as other initiatives are outlined from slide 20 onwards, so please take a look when you have time.
- This concludes my portion of today's presentation.



## Consolidated Financial Results and Forecasts

	FY2024.3 2Q Results and Earnings Forecasts (Details)				Major factors	¥Billions		
	6 months ended Sep. 30, 2022	6 months ended Sep. 30, 2023	YoY			Forecasts FY2024.3	YoY	
			Increase/ (Decrease)	%			Increase/ (Decrease)	%
<b>Operating Revenues</b>	<b>616.7</b>	<b>769.9</b>	<b>153.1</b>	<b>24.8</b>	[increase for a third straight fiscal year]	<b>1,585.0</b>	<b>189.4</b>	<b>13.6</b>
Mobility	376.5	465.6	89.0	23.7	increase in transportation revenue	966.5	132.7	15.9
Retail	75.5	96.2	20.6	27.4	increase in sales of goods and food services	185.5	19.5	11.8
Real estate	91.0	102.1	11.0	12.1	increase in real estate lease and sale, shopping centers and hotel business	219.5	14.5	7.1
Travel and regional solutions	62.5	95.0	32.5	52.0	increase in domestic and inbound tourism	185.5	22.5	13.8
Other businesses	10.9	10.8	(0.1)	(1.4)		28.0	0.0	0.0
<b>Operating Expenses</b>	<b>582.8</b>	<b>663.6</b>	<b>80.7</b>	<b>13.9</b>		<b>1,445.0</b>	<b>133.4</b>	<b>10.2</b>
<b>Operating Income</b>	<b>33.8</b>	<b>106.2</b>	<b>72.4</b>	<b>214.0</b>	[increase for a third straight fiscal year]	<b>140.0</b>	<b>56.0</b>	<b>66.7</b>
Mobility	12.2	70.5	58.3	477.5	increase in transportation revenue	89.0	55.7	167.7
Retail	0.5	6.7	6.2	—	increase in sales of goods and food services	9.5	4.0	72.9
Real estate	15.9	21.2	5.2	33.2	increase in shopping centers and hotel business	35.5	0.9	2.7
Travel and regional solutions	3.1	6.5	3.4	108.6		6.5	0.4	6.9
Other businesses	1.5	0.5	(1.0)	(65.3)		1.0	(3.5)	(78.0)
<b>Non-operating revenues and expenses, net</b>	<b>(6.1)</b>	<b>(7.8)</b>	<b>(1.6)</b>	—	decrease in employment adjustment subsidy	<b>(14.5)</b>	<b>(4.1)</b>	—
<b>Recurring Income</b>	<b>27.7</b>	<b>98.4</b>	<b>70.7</b>	<b>255.4</b>	[increase for a third straight fiscal year]	<b>125.5</b>	<b>51.8</b>	<b>70.5</b>
Extraordinary profit and loss, net	5.2	(0.3)	(5.5)	—	decrease in gain from sale of fixed asset	(5.5)	(4.7)	—
Income taxes	(32.9)	28.4	61.4	—	reactionary decline of special tax treatment	36.0	56.9	—
<b>Income attributable to owners of parent</b>	<b>64.5</b>	<b>67.1</b>	<b>2.6</b>	<b>4.1</b>	[increase for a third straight fiscal year]	<b>80.0</b>	<b>(8.5)</b>	<b>(9.6)</b>
<b>Comprehensive Income</b>	<b>66.6</b>	<b>72.6</b>	<b>5.9</b>	<b>9.0</b>	include 69.8 billion of comprehensive income attributable to shareholders of parent	—	—	—

Note: Figures in brackets ( ) are negative values.

## Major Factors of Increase/Decrease in Each Segment

¥ Billions

		6 months ended Sep. 30, 2023	YoY		Major factors	
			Increase/ (Decrease)	%		
Mobility		Operating Revenues	465.6	89.0	23.7	•Moderate recovery in demand (train usage)
		Operating Income	70.5	58.3	477.5	
Retail	Sales of goods and food services	Operating Revenues	84.3	18.9	29.0	•Moderate recovery in demand (stores within railway stations, VIAINN)
		Operating Income	6.0	5.1	607.6	
	Department stores	Operating Revenues	11.2	1.6	16.6	•Moderate recovery in demand
		Operating Income	0.7	1.0	—	
Real estate	Real estate lease and sale	Operating Revenues	54.6	4.4	8.9	•Increase in condominium sales
		Operating Income	11.1	(0.7)	(6.1)	•Sales margin difference
	Shopping center	Operating Revenues	28.9	2.1	8.2	•Increase in rent income due to a recovery in tenant sales
		Operating Income	5.3	1.7	48.3	
	Hotel	Operating Revenues	18.0	4.3	31.6	•Moderate recovery in demand (the accommodation department)
		Operating Income	0.1	2.3	—	
Travel and regional solutions		Operating Revenues	95.0	32.5	52.0	•Moderate recovery in demand (travel)
		Operating Income	6.5	3.4	108.6	

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 Results and Forecasts (Segment Information)

	6 months ended Sep. 30, 2022	6 months ended Sep. 30, 2023	YoY		Forecasts FY2024.3	YoY Increase/ (Decrease)
			Increase/ (Decrease)	%		
<b>Operating Revenues**<sup>1</sup></b>	<b>616.7</b>	<b>769.9</b>	<b>153.1</b>	<b>24.8</b>	<b>1,585.0</b>	<b>189.4</b>
Mobility	376.5	465.6	89.0	23.7	966.5	132.7
Retail	75.5	96.2	20.6	27.4	185.5	19.5
Sales of goods and food services	65.3	84.3	18.9	29.0	159.5	16.6
[Accommodation-oriented budget hotels](restated) <sup>2</sup>	[4.9]	[9.9]	[4.9]	[99.7]	[19.5]	[5.9]
Department stores	9.6	11.2	1.6	16.6	24.5	2.6
Real estate	91.0	102.1	11.0	12.1	219.5	14.5
Real estate lease and sale	50.1	54.6	4.4	8.9	122.0	4.9
[Real estate sale](restated)	[24.9]	[27.3]	[2.3]	[9.6]	[67.5]	[1.6]
Shopping center	26.7	28.9	2.1	8.2	58.5	2.7
Hotel	13.7	18.0	4.3	31.6	38.0	6.7
Travel and regional solutions	62.5	95.0	32.5	52.0	185.5	22.5
Other businesses	10.9	10.8	(0.1)	(1.4)	28.0	0.0
<b>Operating Income (Loss)**<sup>1</sup></b>	<b>33.8</b>	<b>106.2</b>	<b>72.4</b>	<b>214.0</b>	<b>140.0</b>	<b>56.0</b>
Mobility	12.2	70.5	58.3	477.5	89.0	55.7
Retail	0.5	6.7	6.2	—	9.5	4.0
Sales of goods and food services	0.8	6.0	5.1	607.6	9.0	4.3
[Accommodation-oriented budget hotels](restated) <sup>2</sup>	[(1.1)]	[1.2]	[2.3]	—	[2.0]	[2.8]
Department stores	(0.3)	0.7	1.0	—	1.0	0.2
Real estate	15.9	21.2	5.2	33.2	35.5	0.9
Real estate lease and sale	11.8	11.1	(0.7)	(6.1)	17.0	(4.8)
[Real estate sale](restated)	[4.1]	[2.2]	[(1.8)]	[(45.6)]	[5.0]	[(3.5)]
Shopping center	3.5	5.3	1.7	48.3	8.0	(0.3)
Hotel	(2.2)	0.1	2.3	—	0.5	2.7
Travel and regional solutions	3.1	6.5	3.4	108.6	6.5	0.4
Other businesses	1.5	0.5	(1.0)	(65.3)	1.0	(3.5)

Note: Figures in brackets ( ) are negative values.

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

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

## Non-Consolidated Financial Results and Forecasts

	¥Billions							
	6 months ended Sep. 30, 2022	6 months ended Sep. 30, 2023	YoY		Major factors	Forecasts FY2024.3	YoY	
			Increase/ (Decrease)	%			Increase/ (Decrease)	%
<b>Operating Revenues</b>	<b>367.2</b>	<b>456.1</b>	<b>88.8</b>	<b>24.2</b>	[increase for a third straight fiscal year]	<b>919.5</b>	<b>128.2</b>	<b>16.2</b>
Transportation revenues	320.7	407.1	86.4	27.0	decrease of covid-19 effects	817.0	122.4	17.6
Transportation incidentals	6.9	7.6	0.7	10.6		15.7	0.9	6.6
Other operations	13.4	13.9	0.4	3.7		28.3	1.3	4.9
Miscellaneous	26.1	27.3	1.1	4.6	increase in sales fee, etc.	58.3	3.4	6.3
		structural reform (14.0)				structural reform(31.0)		
<b>Operating Expenses</b>	<b>346.3</b>	<b>378.9</b>	<b>32.5</b>	<b>9.4</b>		<b>827.5</b>	<b>75.1</b>	<b>10.0</b>
Personnel costs	88.5	95.3	6.7	7.6	increase in bonus, decrease in number of employees etc.	189.5	2.8	1.5
Non personnel costs	163.3	186.0	22.6	13.9	increase in adjustment amount for fuel cost, increase in etc.	443.0	65.6	17.4
Energy costs	26.0	31.9	5.9	22.8		61.0	1.3	2.3
Maintenance costs	54.6	59.0	4.4	8.1	Increased fluctuation in periodic inspection and maintenance	161.0	20.8	14.9
Miscellaneous costs	82.6	94.9	12.2	14.8	increase in sales fee, increase in WESTER-related expenses, etc.	221.0	43.3	24.4
Rental payments, etc.	13.2	13.3	0.1	1.0		27.0	0.3	1.2
Taxes	20.5	21.5	1.0	4.9		38.5	1.0	2.9
Depreciation and Amortization	60.6	62.6	2.0	3.4	increase in full-year effect of new assets in operation during fiscal 2023, decrease in progress of depreciation	129.5	5.2	4.3
<b>Operating Income</b>	<b>20.9</b>	<b>77.1</b>	<b>56.2</b>	<b>269.2</b>	[increase for a third straight fiscal year]	<b>92.0</b>	<b>53.0</b>	<b>136.1</b>

Note: Figures in brackets ( ) are negative values.

## Transportation Revenues and Passenger-Kilometers

Transportation Revenues							Passenger-Kilometers						
		6 months ended Sep. 30, 2023	YoY		compared with CY2019	Forecasts FY2024.3	YoY		6 months ended Sep. 30, 2023	YoY		compared with CY2019	
			Increase/ Decrease	%			Increase/ Decrease	%		Increase/ Decrease	%		
Shinkansen	Commuter Passes	5.8	0.2	4.6	2.3	-	-	-	461	21	4.8	(1.4)	
	Non-Commuter Passes	208.4	57.2	37.9	(9.2)	-	-	-	9,250	2,498	37.0	(12.0)	
	Total	214.3	57.5	36.7	(8.9)	433.0	81.3	23.1	9,712	2,520	35.0	(11.5)	
Conventional lines	Kansai Urban Area (Kyoto-Osaka-Kobe Area)	Commuter Passes	53.3	1.8	3.6	(10.2)	-	-	-	8,497	136	1.6	(14.1)
		Non-Commuter Passes	90.8	18.8	26.2	(10.7)	-	-	-	4,913	1,004	25.7	(14.6)
		Total	144.1	20.6	16.8	(10.5)	287.0	30.2	11.8	13,410	1,140	9.3	(14.3)
	Other	Commuter Passes	11.2	0.1	1.2	(10.8)	-	-	-	1,860	12	0.7	(13.3)
		Non-Commuter Passes	37.3	8.1	27.7	(14.8)	-	-	-	1,872	382	25.7	(15.7)
		Total	48.6	8.2	20.4	(13.9)	97.0	10.9	12.7	3,733	395	11.9	(14.5)
	Commuter Passes		64.6	1.9	3.2	(10.3)	-	-	-	10,357	149	1.5	(14.0)
	Non-Commuter Passes		128.1	26.9	26.6	(11.9)	-	-	-	6,786	1,387	25.7	(14.9)
	Total		192.7	28.9	17.7	(11.4)	384.0	41.1	12.0	17,144	1,536	9.8	(14.3)
	Total	Commuter Passes	70.4	2.2	3.3	(9.4)	-	-	-	10,819	170	1.6	(13.5)
Non-Commuter Passes		336.6	84.2	33.4	(10.3)	-	-	-	16,037	3,886	32.0	(13.2)	
Total		407.1	86.4	27.0	(10.1)	817.0	122.4	17.6	26,856	4,056	17.8	(13.3)	

Note: Figures in brackets ( ) are negative values.

## Major Factors of Increase/Decrease in Transportation Revenues

¥ Billions

		Results for 6 months ended Sep. 30, 2023			Major factors
		YoY			
		Increase/ (Decrease)	%		
Shinkansen	214.3	57.5	36.7	Fundamental trend 0.0%	
				Special factors	
				·Decreasing Covid-19 effects	45.8
				·Inbound Demand Recovery	8.4
·Revision of charges (Nozomi,Mizuho)	2.1				
etc.					
Kansai Urban Area (Kyoto-Osaka-Kobe Area)	144.1	20.6	16.8	Fundamental trend 0.0%	
				Special factors	
				·Decreasing Covid-19 effects	9.6
				·Inbound Demand Recovery	6.7
				·Fare revision of special railway sections	0.5
·Surcharge for the installation of barrier-free equipment	2.1				
etc.					
Other lines	48.6	8.2	20.4	Fundamental trend 0.0%	
				Special factors	
				·Decreasing Covid-19 effects	6.2
				·Inbound Demand Recovery	1.5
·Revision of charges (conventional line express train)	0.2				
etc.					
Conventional lines	192.7	28.9	17.7		
<b>Total</b>	<b>407.1</b>	<b>86.4</b>	<b>27.0</b>		

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

Note2: Figures in brackets ( ) are negative values.



## Capital Expenditures

¥ Billions

	6 months ended Sep. 30, 2022	6 months ended Sep. 30, 2023	YoY		Forecasts FY2024.3
			Increase/ (Decrease)	%	
<b>Capital Expenditures Consolidated</b>	70.8	84.9	14.1	19.9	–
own fund	67.3	81.0	13.7	20.3	267.0
External fund	3.4	3.8	0.4	11.9	–
<b>Capital Expenditures Non-consolidated</b>	45.5	51.9	6.3	14.0	–
own fund	42.1	48.1	5.9	14.2	177.0
[Break down] [Safety-related capital expenditures]	[18.3]	[28.5]	[10.2]	[55.8]	[97.0]
[Other, etc.]	[23.7]	[19.5]	[(4.2)]	[(17.9)]	[80.0]
External fund	3.4	3.8	0.4	11.9	–

Note: Figures in brackets ( ) are negative values.

- Major capital expenditure projects (Non-consolidated)
  - new rolling stock (W7 series, Yakumo Ltd. Exp.)
  - safety and disaster prevention measures (earthquake countermeasures) etc.

## Consolidated Balance Sheets

¥ Billions

	As of Mar. 31, 2023	As of Sep. 30, 2023	Difference increase/(decrease)	Major factors
<b>Current assets</b>	<b>716.5</b>	<b>612.4</b>	<b>(104.1)</b>	
Cash and deposits	290.1	202.7	(87.4)	increase in real estate for sales, increase in costs on uncompleted construction contracts
Inventories	153.2	179.6	26.3	
Other current assets	273.1	230.0	(43.0)	
<b>Non-current assets</b>	<b>3,018.3</b>	<b>3,016.1</b>	<b>(2.1)</b>	
Property, plant and equipment, etc.	2,513.2	2,504.1	(9.1)	
Construction in progress	117.1	126.5	9.3	
Investments and other assets	387.8	385.4	(2.4)	
Deferred assets	0.6	0.4	(0.2)	
<b>Total assets</b>	<b>3,735.5</b>	<b>3,628.9</b>	<b>(106.5)</b>	
<b>Current liabilities</b>	<b>658.4</b>	<b>590.5</b>	<b>(67.9)</b>	
Current portion of long-term payables, etc.	140.7	115.8	(24.9)	
Accounts payable-other, etc.	517.6	474.7	(42.9)	
<b>Non-current liabilities</b>	<b>1,932.7</b>	<b>1,839.9</b>	<b>(92.7)</b>	
Bond and Long-term debt, etc.	1,514.9	1,434.2	(80.6)	
Accrued retirement benefits	223.3	205.8	(17.4)	
Other long-term liabilities	194.5	199.9	5.4	
<b>Total liabilities</b>	<b>2,591.1</b>	<b>2,430.5</b>	<b>(160.6)</b>	
<b>Shareholders' equity</b>	<b>1,034.7</b>	<b>1,083.6</b>	<b>48.9</b>	
Common stock	226.1	226.1	-	
Capital surplus	183.9	183.9	0.0	
Retained earnings	626.1	674.8	48.7	profit attributable to owners of parent: 67.1 dividend: (18.2)
Treasury stock	(1.3)	(1.2)	0.1	
Accumulated other comprehensive income	(0.2)	2.3	2.6	
Non-controlling interests	109.8	112.3	2.5	
<b>Total Net assets</b>	<b>1,144.3</b>	<b>1,198.4</b>	<b>54.1</b>	
<b>Total Liabilities and net assets</b>	<b>3,735.5</b>	<b>3,628.9</b>	<b>(106.5)</b>	

	As of Mar. 31, 2023	As of Sep. 30, 2023	Difference
<b>Liabilities with interest</b>	<b>1,662.9</b>	<b>1,557.8</b>	<b>(105.1)</b>
Average interest rate (%)	[1.19]	[1.22]	[0.03]
<b>Stocks and Purchase liability</b>	<b>98.6</b>	<b>98.0</b>	<b>(0.6)</b>
Average interest rate (%)	[6.55]	[6.55]	[--]
<b>Bonds</b>	<b>959.9</b>	<b>869.9</b>	<b>(89.9)</b>
Average interest rate (%)	[0.98]	[1.02]	[0.04]
<b>Other (long-term debt etc.)</b>	<b>604.2</b>	<b>589.7</b>	<b>(14.4)</b>

Note: Figures in brackets ( ) are negative values.

## Statement of Cash Flows

¥ Billions

	6 months ended Sep. 30, 2022	6 months ended Sep. 30, 2023	YoY Increase/ (Decrease)
Profit before income taxes	32.9	98.1	65.2
Depreciation	77.9	79.8	1.9
Other	(27.9)	(50.0)	(22.0)
<b>I Cash flows from operating activities</b>	<b>82.8</b>	<b>127.9</b>	<b>45.0</b>
Purchase of non-current assets	(82.0)	(98.9)	(16.9)
Proceeds from sales of non-current assets	6.0	0.2	(5.7)
Purchase of Investment securities	(2.0)	(12.5)	(10.4)
Other	18.7	19.9	1.1
<b>II Cash flows from investing activities</b>	<b>(59.3)</b>	<b>(91.2)</b>	<b>(31.9)</b>
<b>I + II Free cash flows</b>	<b>23.5</b>	<b>36.6</b>	<b>13.1</b>
Repayments /Redemption	(30.6)	(105.6)	(75.0)
Cash dividends paid	(13.3)	(18.5)	(5.1)
Other	0.2	(0.1)	(0.4)
<b>III Cash flows from financing activities</b>	<b>(43.7)</b>	<b>(124.3)</b>	<b>(80.6)</b>
Change in cash and cash equivalents, net	(20.2)	(87.6)	(67.4)
Cash and cash equivalents at beginning of period	319.5	289.8	(29.7)
Change in cash and cash equivalents due to revision of scope of consolidation	-	0.2	0.2
Cash and cash equivalents at the end of period	299.3	202.4	(96.8)

Note: Figures in brackets ( ) are negative values.

## Consolidated Financial Forecasts

	Results FY2023.3	Forecasts FY2024.3		YoY		¥ Billions Difference between the forecasts Increase/ (Decrease)
		As of Aug.1	As of Oct.31	Increase/ (Decrease)	%	
<b>Operating Revenues</b>	<b>1,395.5</b>	<b>1,512.0</b>	<b>1,585.0</b>	<b>189.4</b>	<b>13.6</b>	<b>73.0</b>
Mobility	833.7	955.0	966.5	132.7	15.9	11.5
Retail	165.9	176.5	185.5	19.5	11.8	9.0
Real estate	204.9	216.0	219.5	14.5	7.1	3.5
Travel and regional solutions	162.9	136.5	185.5	22.5	13.8	49.0
Other businesses	27.9	28.0	28.0	0.0	0.0	-
<b>Operating Expenses</b>	<b>1,311.5</b>	<b>1,397.0</b>	<b>1,445.0</b>	<b>133.4</b>	<b>10.2</b>	<b>48.0</b>
<b>Operating Income</b>	<b>83.9</b>	<b>115.0</b>	<b>140.0</b>	<b>56.0</b>	<b>66.7</b>	<b>25.0</b>
Mobility	33.2	72.0	89.0	55.7	167.7	17.0
Retail	5.4	6.0	9.5	4.0	72.9	3.5
Real estate	34.5	33.5	35.5	0.9	2.7	2.0
Travel and regional solutions	6.0	4.0	6.5	0.4	6.9	2.5
Other businesses	4.5	1.0	1.0	(3.5)	(78.0)	-
Non-operating revenues and expenses, net	(10.3)	(15.5)	(14.5)	(4.1)	-	1.0
<b>Recurring Income</b>	<b>73.6</b>	<b>99.5</b>	<b>125.5</b>	<b>51.8</b>	<b>70.5</b>	<b>26.0</b>
Extraordinary profit and loss, net	(0.7)	0.5	(5.5)	(4.7)	-	(6.0)
Income taxes	(20.9)	30.0	36.0	56.9	-	6.0
<b>Income attributable to owners of parent</b>	<b>88.5</b>	<b>66.5</b>	<b>80.0</b>	<b>(8.5)</b>	<b>(9.6)</b>	<b>13.5</b>
<b>Net income per share (¥)</b>	<b>363.26</b>	<b>272.89</b>	<b>328.27</b>	<b>(34.99)</b>	<b>(9.6)</b>	<b>55.38</b>

Note: Figures in brackets ( ) are negative values.

## Each Segment Forecasts

		Forecasts FY2024.3	YoY		Major factors	¥ Billions Difference from the previous forecast Increase/ (Decrease)	
			Increase/ (Decrease)	%			
Mobility	Operating Revenues	966.5	132.7	15.9	Moderate recovery in demand (train usage)	11.5	
	Operating Income	89.0	55.7	167.7		17.0	
Retail	Sales of goods and food services	Operating Revenues	159.5	16.6	11.7	Moderate recovery in demand (stores within railway stations, VIANN)	9.0
		Operating Income	9.0	4.3	95.2		3.5
	Department stores	Operating Revenues	24.5	2.6	12.4	Moderate recovery in demand	–
		Operating Income	1.0	0.2	27.1		–
Real estate	Real estate lease and sale	Operating Revenues	122.0	4.9	4.2	Increase in real estate sales	3.5
		Operating Income	17.0	(4.8)	(22.1)	Sales margin difference	1.5
	Shopping center	Operating Revenues	58.5	2.7	4.9	Increase in rent income due to a recovery in tenant sales	–
		Operating Income	8.0	(0.3)	(4.5)	Increase in utility cost	0.5
	Hotel	Operating Revenues	38.0	6.7	21.5	Moderate recovery in demand (the accomodation department)	–
		Operating Income	0.5	2.7	–		–
Travel and regional solutions	Operating Revenues	185.5	22.5	13.8	Moderate recovery in demand (travel) Reactionary decline of solution business	49.0	
	Operating Income	6.5	0.4	6.9		2.5	

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 Forecasts (Segment Information)

	Results FY2023.3	Forecasts FY2024.3		YoY		Difference between the forecasts Increase/ (Decrease)
		As of Aug. 1	As of Oct. 31	Increase/ (Decrease)	%	
Operating Revenues <sup>*1</sup>	1,395.5	1,512.0	1,585.0	189.4	13.6	73.0
Mobility	833.7	955.0	966.5	132.7	15.9	11.5
Retail	165.9	176.5	185.5	19.5	11.8	9.0
Sales of goods and food services	142.8	150.5	159.5	16.6	11.7	9.0
[Accommodation-oriented budget hotels](restated) <sup>*2</sup>	[13.5]	[18.0]	[19.5]	[5.9]	[44.1]	[1.5]
Department stores	21.8	24.5	24.5	2.6	12.4	—
Real estate	204.9	216.0	219.5	14.5	7.1	3.5
Real estate lease and sale	117.0	118.5	122.0	4.9	4.2	3.5
[Real estate sale](restated)	[65.8]	[65.1]	[67.5]	[1.6]	[2.5]	[2.3]
Shopping center	55.7	58.5	58.5	2.7	4.9	—
Hotel	31.2	38.0	38.0	6.7	21.5	—
Travel and regional solutions	162.9	136.5	185.5	22.5	13.8	49.0
Other businesses	27.9	28.0	28.0	0.0	0.0	—
Operating Income (Loss) <sup>*1</sup>	83.9	115.0	140.0	56.0	66.7	25.0
Mobility	33.2	72.0	89.0	55.7	167.7	17.0
Retail	5.4	6.0	9.5	4.0	72.9	3.5
Sales of goods and food services	4.6	5.5	9.0	4.3	95.2	3.5
[Accommodation-oriented budget hotels](restated) <sup>*2</sup>	[(0.8)]	[1.5]	[2.0]	[2.8]	—	[0.5]
Department stores	0.7	1.0	1.0	0.2	27.1	—
Real estate	34.5	33.5	35.5	0.9	2.7	2.0
Real estate lease and sale	21.8	15.5	17.0	(4.8)	(22.1)	1.5
[Real estate sale](restated)	[8.5]	[3.8]	[5.0]	[(3.5)]	[(41.5)]	[1.1]
Shopping center	8.3	7.5	8.0	(0.3)	(4.5)	0.5
Hotel	(2.2)	0.5	0.5	2.7	—	—
Travel and regional solutions	6.0	4.0	6.5	0.4	6.9	2.5
Other businesses	4.5	1.0	1.0	(3.5)	(78.0)	—

Note: Figures in brackets ( ) are negative values.

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

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

## Non-Consolidated Financial Forecasts

	Results FY2023.3	Forecasts FY2024.3		YoY		Major factors	¥ Billions
		As of Aug. 1	As of Oct.31	Increase/ (Decrease)	%		Difference between the forecasts Increase/ (Decrease)
<b>Operating Revenues</b>	<b>791.2</b>	<b>908.0</b>	<b>919.5</b>	<b>128.2</b>	<b>16.2</b>		<b>11.5</b>
Transportation revenues	694.5	807.0	817.0	122.4	17.6	inbound demand recovery, etc.	10.0
Transportation incidentals	14.7	15.5	15.7	0.9	6.6		0.2
Other operations	27.0	28.1	28.3	1.3	4.9		0.2
Miscellaneous	54.9	57.4	58.3	3.4	6.3		0.9
<b>Operating Expenses</b>	<b>752.3</b>	<b>833.0</b>	<b>827.5</b>	<b>75.1</b>	<b>10.0</b>		<b>(5.5)</b>
Personnel costs	186.6	188.0	189.5	2.8	1.5	increase in bonus, decrease in number of employees, etc.	1.5
Non personnel costs	377.3	451.0	443.0	65.6	17.4		(8.0)
Energy costs	59.6	69.5	61.0	1.3	2.3	increase in electricity rate, etc.	(8.5)
Maintenance costs	140.1	164.0	161.0	20.8	14.9	increase fluctuation in periodic inspection and maintenance, etc.	(3.0)
Miscellaneous costs	177.6	217.5	221.0	43.3	24.4	increase in sales fee, increase in WESTER-related expenses, etc.	3.5
Rental payments, etc.	26.6	27.0	27.0	0.3	1.2		-
Taxes	37.4	37.5	38.5	1.0	2.9	increase in property tax, etc.	1.0
Depreciation and Amortization	124.2	129.5	129.5	5.2	4.3		-
<b>Operating Income</b>	<b>38.9</b>	<b>75.0</b>	<b>92.0</b>	<b>53.0</b>	<b>136.1</b>		<b>17.0</b>

Note: Figures in brackets ( ) are negative values.

## Transportation Revenues Forecasts

¥ Billions

		Forecasts FY2024.3 as of Oct. 31				
		YoY		Major factors	Difference from the previous forecast (Increase/Decrease)	
		Increase/(Decrease)	%			
Shinkansen		433.0	81.3	23.1	Fundamental trend 0.0% Special factors ・Decreasing Covid-19 effects 60.6 ・Inbound Demand Recovery 11.8 ・Revision of charges (Nozomi, Mizuho) 4.2 ・Additional fare and charges revision (related to Express service, etc.) etc. 1.0	14.0
Kansai Urban Area (Kyoto-Osaka-Kobe Area)		287.0	30.2	11.8	Fundamental trend Special factors ・Decreasing Covid-19 effects 11.5 ・Inbound Demand Recovery 9.2 ・Fare revision of special railway sections 1.1 ・Surcharge for the installation of barrier-free equipment etc. 4.7	(7.0)
Other lines		97.0	10.9	12.7	Fundamental trend Special factors ・Decreasing Covid-19 effects 7.5 ・Inbound Demand Recovery 2.2 ・Revision of charges (conventional line express train) etc. 0.4	3.0
Conventional lines		384.0	41.1	12.0		(4.0)
Total		817.0	122.4	17.6		10.0

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

## Other Data

	6 months ended Sep. 30, 2022		6 months ended Sep. 30, 2023		Forecasts FY2024.3	
	persons, ¥ Billions					
ROA (% , Consolidated)	0.9		2.9		3.8	
ROE (% , Consolidated)	6.5		6.3		7.6	
EBITDA (Consolidated) *	111.7		186.1		304.0	
Depreciation (Consolidated)	77.9		79.8		164.0	
Dividends per share ( ¥ )	50.0		57.5		115.0	
Dividend Payout Ratio	18.9		20.9		35.0	
	6 months ended Sep. 30, 2022		6 months ended Sep. 30, 2023		Forecasts FY2024.3	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	45,393	21,823	44,829	21,481	—	—
Financial Expenses, net	(9.8)	(8.8)	(9.7)	(8.1)	(18.9)	(17.1)
Interest and dividend income	0.6	1.6	0.4	2.0	1.1	2.9
Interest expenses	10.4	10.4	10.1	10.1	20.0	20.0
	6 months ended Sep. 30, 2022		6 months ended Sep. 30, 2023		Forecasts FY2024.3	
net Debt / EBITDA	12.5		7.3		—	
Equity ratio (%)	27.8		29.9		—	
Net assets per share ( ¥ )	4,190.50		4,456.38		—	

Note: Figures in brackets ( ) are negative values.

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

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FY2024.3 2Q Results and  
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Progress on Medium-Term  
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FY2024.3 2Q Results and  
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Appendix

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## Earnings Targets (by Segment)

	¥ Billions				
	FY19.3 results <sup>*1*</sup>	FY23.3 results <sup>*2</sup>	FY24.3 forecasts	FY26.3 objectives <sup>*3</sup>	FY28.3 target level
<b>Consolidated operating revenues</b>	<b>1,529.3</b>	<b>1,395.5</b>	<b>1,585.0</b>	<b>1,740.0</b>	<b>1,950.0</b>
Mobility	1,026.3	833.7	966.5	1,003.0	—
Retail	241.3	165.9	185.5	190.5	—
Real estate	188.3	204.9	219.5	264.5	—
Travel and regional solutions	40.5	162.9	185.5	194.0	—
Other businesses	32.7	27.9	28.0	88.0	—
<b>Consolidated operating income</b>	<b>196.9</b>	<b>83.9</b>	<b>140.0</b>	<b>150.0</b>	<b>185.0</b>
Mobility	146.9	33.2	89.0	87.5	—
Retail	5.9	5.4	9.5	10.0	—
Real estate	36.9	34.5	35.5	38.0	—
Travel and regional solutions	0.2	6.0	6.5	1.5	—
Other businesses	7.4	4.5	1.0	14.5	—
<b>Consolidated recurring profit</b>	<b>183.3</b>	<b>73.6</b>	<b>125.5</b>	<b>130.5</b>	<b>—</b>
<b>Consolidated profit attributable to owners of parent</b>	<b>102.7</b>	<b>88.5</b>	<b>80.0</b>	<b>97.0</b>	<b>—</b>
<b>Consolidated EBITDA</b>	<b>361.3</b>	<b>243.6</b>	<b>304.0</b>	<b>340.0</b>	<b>380.0</b>

\*1 FY2019.3 figures do not reflect impact from "Accounting Standard for Revenue Recognition."

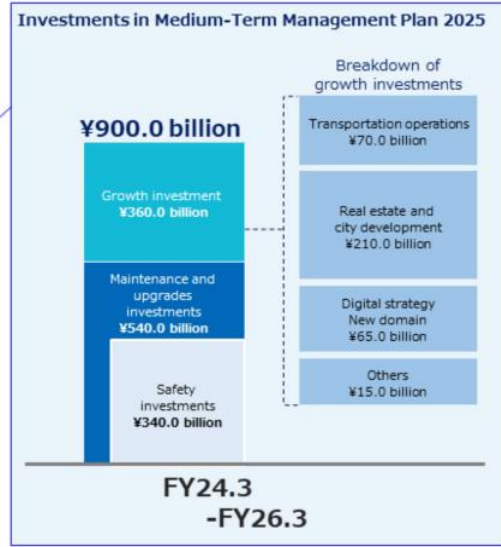
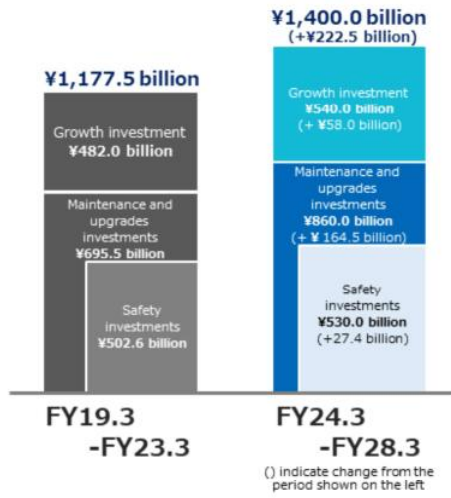
\*2 Reportable segments have changed for FY2024.3 onward. Figures for FY2019.3 and FY2023.3 have been prepared based on new segment classifications.

\*3 This plan excludes impact from higher revenues related to Osaka/Kansai Expo, track usage fees and higher revenues associated with opening of Tsuruga extension on Hokuriku Shinkansen

# Financial Strategy / Investment Plan

- Steadily invest in safety, concentrate resources in growth fields

## (Reference) Five-year comparison



## Improve safety of railways (Targets)

### ● Objectives

#### Objectives over the 5 years through FY2028.3

Train accidents that result in casualties among customers **Keep at zero**

Train labor accidents that result in fatalities among employees **Keep at zero**

#### FY2028.3 objectives

##### • Hardware maintenance (Platform Safety)

Of train stations eligible for barrier-free fare system, ① Update platform gates at stations with more than 100,000 riders **Upgrade ratio 60%<sup>\*1</sup>**

② Update platform gates or platform safety screens at stations with less than 100,000 riders **Upgrade ratio 50%<sup>\*1</sup>**

##### (Railway Crossing Safety)

Upgrade equipment at railroad crossings that meet certain criteria<sup>\*2</sup> to audibly warn train drivers of large vehicles stuck in crossings ① Railroad crossings upgraded with radio notification systems **Upgrade ratio 90%**

② Trains equipped with visual recognition systems **Upgrade ratio 60%<sup>\*3</sup>**

##### (Earthquake Countermeasures)

Earthquake countermeasures for Sanyo Shinkansen ① Measures to prevent collapse of structures (reinforce bridge footings) **Upgrade ratio 100%**

② Measures to prevent significant sagging of railway lines (reinforce rigid-frame abutments)

③ Measures to prevent major train deviation from tracks (upgrade derailment prevention guards on high-priority track sections<sup>\*4</sup>)

##### • Vision

Set targets to achieve by end of FY2028.3 based on "culture that prioritizes safety first," "framework for ensuring safety across entire organization," and "every employee thinks and acts with safety in mind"

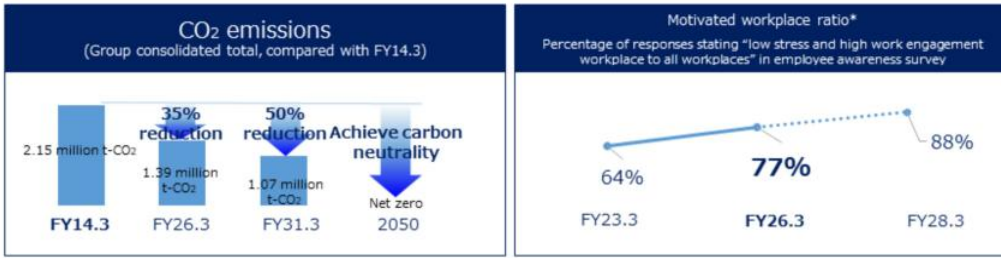
<sup>\*1</sup> Areas poised to expand upgrade ratio might change slightly based on outcomes of adjustments with relevant entities.

<sup>\*3</sup> Assumes technological verifications progress smoothly for early introduction by FY2025.3

<sup>\*2</sup> Train track crossings where large vehicles cross that meet any of the following criteria: (1) trains travel at speeds up to 100km/h when passing train intersections, (2) railway transportation density is more than 10,000 people per day on average by section, and (3) more than 500 large vehicles hours per day across the train tracks.

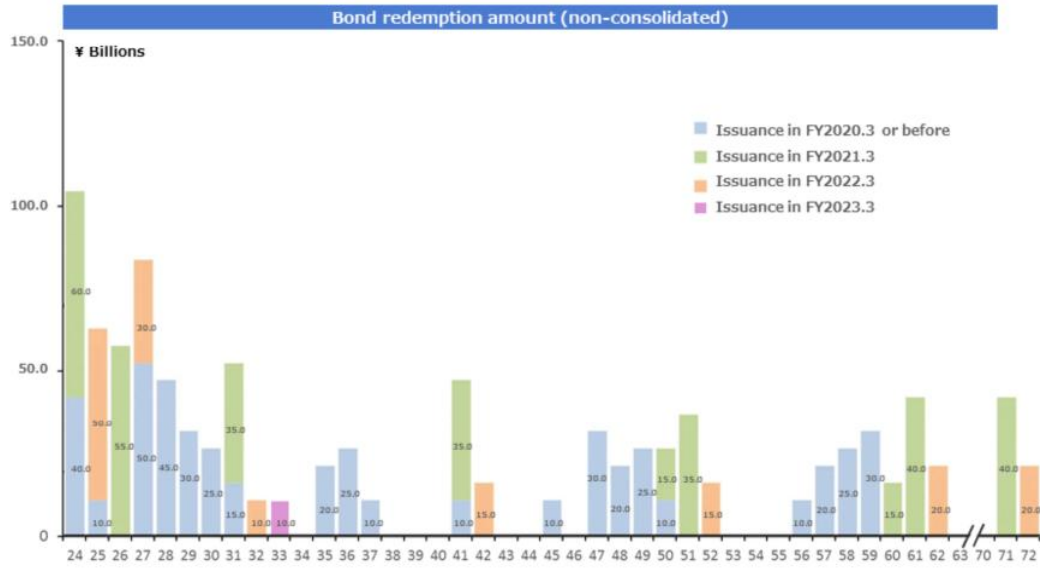
<sup>\*4</sup> Priority evaluations based on probability of earthquake and projected seismic activity

## Non-financial targets (key non-financial KPIs, excluding safety targets)



\*JR-West non-consolidated indicators  
 Explore appropriate non-financial KPIs as indicators of growth in residents, exchanges and related populations along train lines

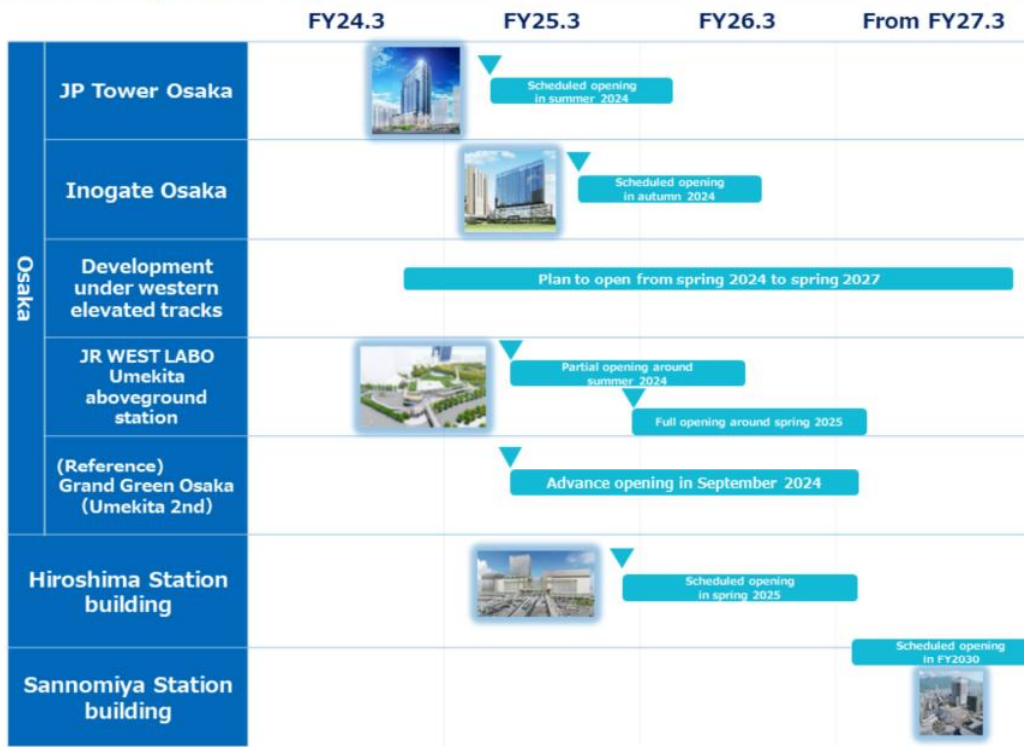
# Expected bond redemption



(Note 1): As of May 1, 2023  
 (Note 2): Redemption amount is face value  
 (Note 3): Horizontal axis shows fiscal years ending in March



# City development projects



## City development projects / Osaka

Inogate Osaka



JP Tower Osaka

**JP Tower Osaka**

Floor space: About 227,000㎡  
 Purpose: Office, hotels, retail, theaters.  
 Size: 39 floors above ground, three floors below ground  
 Planned opening: Summer 2024  
 (November 2023 onward)



Umekita aboveground station

Grand Front Osaka

Hankyu Osaka-Umeda Station

JR Osaka station

**Development under western elevated tracks**

Floor space: About 6,000㎡  
 Purpose: Retail, bus terminal.  
 Planned opening: Spring 2027  
 (Spring 2023 onward)

**Inogate Osaka**

Floor space: About 60,000㎡  
 Purpose: Office, retail.  
 Size: 23 floors above ground, one floor below ground  
 Planned opening: Summer 2024  
 (Retail: Summer 2024, office: Autumn 2024)

**Umekita aboveground station**

Floor space: About 10,000㎡  
 Purpose: Retail, pedestrian spaces, etc.  
 Size: Three floor above ground  
 Planned opening: Spring 2025

## City development projects / Hiroshima

### External rendering of new station building



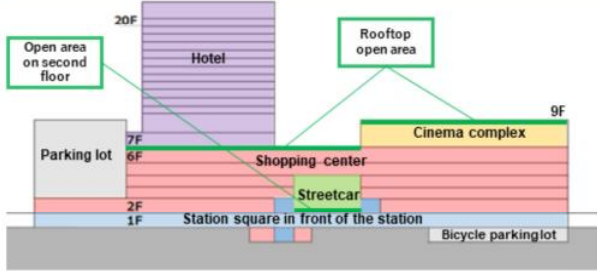
### Development overview

Planned opening	• Spring 2025
Investment	• About 60.0 billion
Building floor area	• About 14,000㎡
Floor space	• About 111,000㎡
Size	• 20 floors above ground, one floor below ground, roughly 100m height
Purpose	<ul style="list-style-type: none"> <li>• Shopping center, cinema complex (retail space about 25,000㎡)</li> <li>• High-class accommodation hotel Vischio (400 guestrooms)</li> <li>• Parking garage (for about 500 vehicles) directly connected to station building</li> <li>• Separate parking garage (for about 400 vehicles)</li> </ul>

### Internal rendering of building



### Floor structure



## City development projects / Sannomiya

### External rendering of new station building



### Rendering of open-air deck area in front of station



### Development overview of new station building

\* Joint project with Urban Renaissance Agency

- |                 |   |
|-----------------|---|
| Planned opening | • FY2030.3  |
| Floor space     | • About 100,000㎡  |
| Size            | • Roughly 160m height(JR-West's largest development project)  |
| Purpose         | <ul style="list-style-type: none"> <li>• Retail (retail space about 19,000㎡)</li> <li>• Hotels (about 250 guestrooms)</li> <li>• Office (Leasable floor area about 6,000㎡)</li> <li>• Open area (open-air deck area in front of station)</li> </ul> |

### New JR Sannomiya Station building and neighboring transfer lines





## Automated driving and convoy driving BRT

### ● Demonstration test finished on dedicated test course (Yasu City, Shiga Prefecture)

#### Vision

- Secure transportation capacity that flexibly meets demand
- Eliminate shortages of drivers
- Ensure safety, punctuality and promptness with dedicated roads
- Seamless and flat transportation network
- Offer low-cost services with simple facilities

#### Field tests on a dedicated test course (Yasu City, Shiga Prefecture)



### ● Start of demonstration tests on public roads in Higashihiroshima City

#### Targets and goals of demonstration tests on public roads

- Identify and validate issues with autonomous driving and caravan driving before implementing in society
- Foster interest in new technologies, such as autonomous driving and caravan driving, and BRT among people in Higashihiroshima City



#### Aim to achieve Level 4 autonomous driving around mid-2020s



#### ● Schedule

	2021	2022	2023
Dedicated test course	▼ Start of demonstration tests (October)	▼ Started caravan driving tests (February)	▼ Completed field tests (July)
Higashihiroshima City		▼ Collaboration agreement signed with Hiroshima University and Higashihiroshima City (November)	▼ Established examination subcommittee under Regional Public Transportation Council (April) ▼ Start of demonstration tests (November)



# Extension of Hokuriku Shinkansen to Tsuruga

## ● Operations after opening Tsuruga extension

### Basic information

- Extended section that opened: Kanazawa to Tsuruga (125km)
- Opening date: March 16, 2024

### Travel times on fastest train

- Tokyo-Fukui 2:51 (-36 min)
- Tsuruga 3:08 (-50 min)
- Osaka-Fukui 1:44 (-3 min)
- Kanazawa 2:09 (-22 min)
- Toyama 2:35 (-29 min)

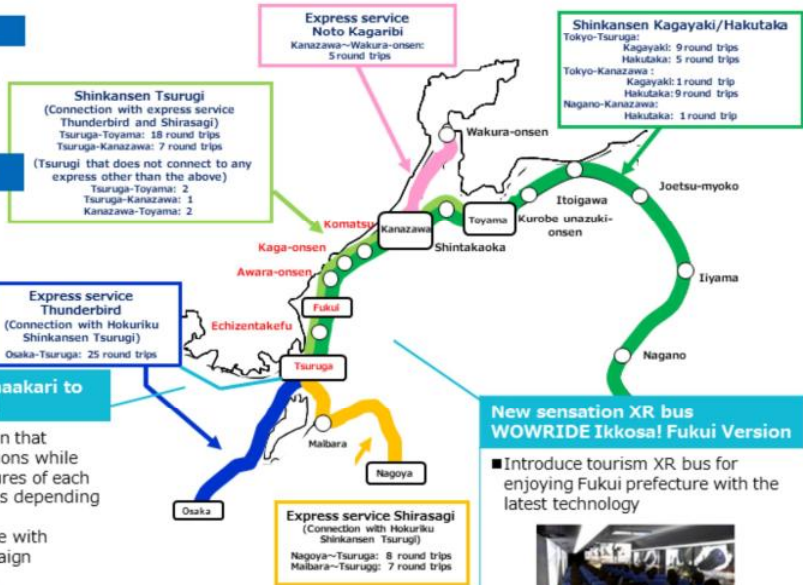
### Special tourism train Hanaakari to create demand for travel

- Introduce new tourism train that connects customers to regions while conveying the special features of each region, with different routes depending on the season
- Autumn 2024 debut service with Hokuriku destination campaign



### New sensation XR bus WOWRIDE Ikkosa! Fukui Version

- Introduce tourism XR bus for enjoying Fukui prefecture with the latest technology



## 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.
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  - economic downturn, deflation and population decreases;
  - adverse changes in laws, regulations and government policies in Japan;
  - service improvements, price reductions and other strategies undertaken by competitors such as passenger railway and airlines companies;
  - 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 1, 2023 based on information available to JR-West as of November 1, 2023 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.