Company name: West Japan Railway Company
President: Seiji Manabe
For further information, please contact: Shoji Kurasaka, General Manager, Corporate Communications Department
Telephone: +81-6-6375-8889

Notice Regarding Submission of an Allowance Reserve Plan for the Large-Scale Renovation of Shinkansen Infrastructure

With respect to the Sanyo Shinkansen Line (between Shin-Osaka and Hakata), which West Japan Railway Company (hereinafter, JR-West) owns, the need for large-scale renovation to ensure reliable transportation going forward was recognized, and on December 22, 2015, JR-West was designated as an owning business entity by the Minister of Land, Infrastructure, Transport and Tourism based on article 15, paragraph 1 of the Nationwide Shinkansen Railway Development Act (hereinafter, the Nationwide Shinkansen Act).

In response, JR-West has prepared an allowance reserve plan for the large-scale renovation of Shinkansen infrastructure (hereinafter, the allowance reserve plan) and today submitted it to the Minister of Land, Infrastructure, Transport and Tourism, based on article 16, paragraph 1 of the Nationwide Shinkansen Act.

1. Details of allowance reserve plan

<table>
<thead>
<tr>
<th>Large-scale renovation</th>
<th>Period</th>
<th>Total amount of expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>From April 2028 to March 2038 (10 years)</td>
<td>¥155.7 billion</td>
</tr>
<tr>
<td>Allowance</td>
<td>Reserve period</td>
<td>From April 2016 to March 2028 (12 years)</td>
</tr>
<tr>
<td></td>
<td>Total amount of reserve</td>
<td>¥50.0 billion</td>
</tr>
</tbody>
</table>

2. Summary of large-scale renovation (Attachment)

<table>
<thead>
<tr>
<th>Target equipment and facilities</th>
<th>Details of major renovation work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridges</td>
<td></td>
</tr>
<tr>
<td>Steel bridges</td>
<td>Renovation work on support components</td>
</tr>
<tr>
<td>Concrete bridges</td>
<td>Restoration of surface, replacement of handrails</td>
</tr>
<tr>
<td>Tunnels</td>
<td>Lining renovation work, roadbed renovation work</td>
</tr>
<tr>
<td>Earthworks</td>
<td>Slope protection renovation work, replacement of noise barriers</td>
</tr>
</tbody>
</table>

3. Effect on income and expenses of allowance reserve and reversal

If the allowance reserve plan is approved, as a result of implementing an allowance reserve, in each fiscal year from the fiscal year ending March 31, 2017, through to the fiscal year ending March 31, 2028, compared to the situation if an allowance reserve had not been implemented, there will be additional operating expenses of ¥4.1 billion in each fiscal year. Subsequently, as a result of implementing a reversal of the allowance, in each fiscal year from the fiscal year ending March 31, 2029, through to the fiscal year ending March 31, 2038, compared to the situation if an allowance reserve had not been implemented, there will be a reduction in operating expenses of ¥5.0 billion in each fiscal year.

End
Details of Major Large-Scale Renovation Work of the Sanyo Shinkansen

**Bridges (steel bridges)**
- Renovation work on support components

**Bridges (concrete bridges)**
- Renovation of surface, replacement of handrails

**Earthworks (embankment)**
- Slope protection renovation work, replacement of noise barriers
  - Replacement of noise barriers
  - Replacement of slope protection

**Earthworks (excavation)**
- Slope protection renovation work
  - Replacement of slope protection
  - Removal of weathered ground
  - Installation of pipes for drainage
Details of Major Large-Scale Renovation Work of the Sanyo Shinkansen

**Tunnels**

- Lining renovation work
  - Filling of gaps between concrete of upper parts of tunnels and ground
  - Unification of lining and ground with rock bolts

- Roadbed renovation work
  - Supporting of lower boards of tunnels with stakes
  - Covering of inner surface of lining with panels (reinforced concrete lining sections)