# FY2025.3, 1Q Financial Results Presentation

*Connect more. Spring into the future.*

August 1, 2024

**West Japan Railway Company**

| | |
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# Highlights

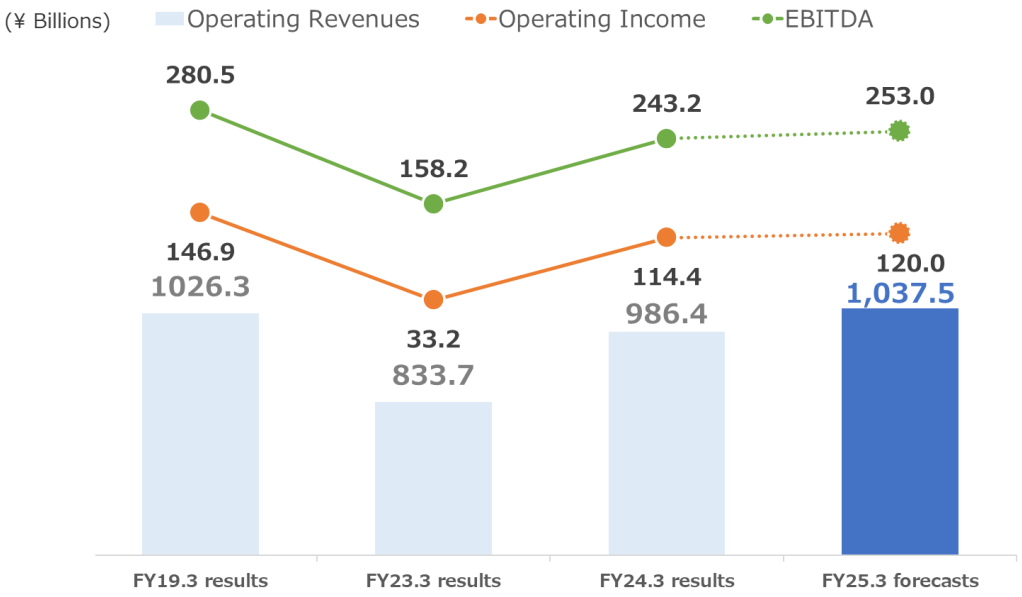
- **In FY2025.3 1Q, consolidated and non-consolidated revenue and profit increased for a fourth consecutive year due to a recovery in customer usage and the effect of extending the Hokuriku Shinkansen to Tsuruga.**
- **Transportation revenue has recovered to 108% year-on-year and to 95% of the FY2019 level. However, usage of Sanyo Shinkansen and demand between Kansai/Chukyo regions and Hokuriku were lower than expected.**
- **Performance in the goods and food services business and shopping center business exceeded expectations, taking into account inbound demand.**
- **Earnings forecasts and dividends forecast for FY25.3 remain unchanged in light of our efforts to create future demand in each business.**

(¥ Billions)

| | FY24.3 | FY25.3 | YoY | | FY25.3 | YoY | |
|---|---|---|---|---|---|---|---|
| | 1Q Results | 1Q Results | Increase/ (Decrease) | % | Forecasts | Increase/ (Decrease) | % |
| **【Consolidated】** | | | | | | | |
| Operating Revenues | 369.2 | **402.7** | +33.5 | 9.1% | **1,718.0** | +82.9 | 5.1% |
| Operating Expenses | 317.0 | **344.5** | +27.4 | 8.7% | **1,548.0** | +92.7 | 6.4% |
| Operating income | 52.2 | **58.2** | +6.0 | 11.5% | **170.0** | (9.7) | -5.4% |
| Recurring income | 48.6 | **55.2** | +6.6 | 13.6% | **155.5** | (11.8) | -7.1% |
| Income attributable to owners of parent | 33.3 | **38.2** | +4.9 | 14.9% | **100.0** | +1.2 | 1.3% |
| EBITDA | 91.7 | **98.1** | +6.4 | 7.0% | **343.0** | (0.0) | 0.0% |
| **【Non-Consolidated】** | | | | | | | |
| Transportation Revenue | 197.5 | **212.5** | +14.9 | 7.6% | **887.0** | +46.4 | 5.5% |
| Operating Expenses | 183.7 | **193.2** | +9.5 | 5.2% | **872.0** | +43.1 | 5.2% |

# Mobility Segment

## Mobility Results and Forecasts (full year)




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

| (¥ Billion) | FY24.3 1Q results | FY25.3 1Q results | FY25.3 forecasts (full year) |
|---|---|---|---|
| **Operating Revenues** | **221.5** | **239.4** | **1,037.5** |
| **Of which, non-consolidated transportation revenues** | **197.5** | **212.5** | **887.0** |
| Shinkansen | 102.4 | 117.7 | 505.0 |
| Kansai Urban Area | 71.9 | 75.8 | 305.0 |
| Other conventional lines | 23.1 | 18.8 | 77.0 |
| **Operating Income** | **32.8** | **39.5** | **120.0** |
| **EBITDA** | **63.9** | **70.8** | **253.0** |

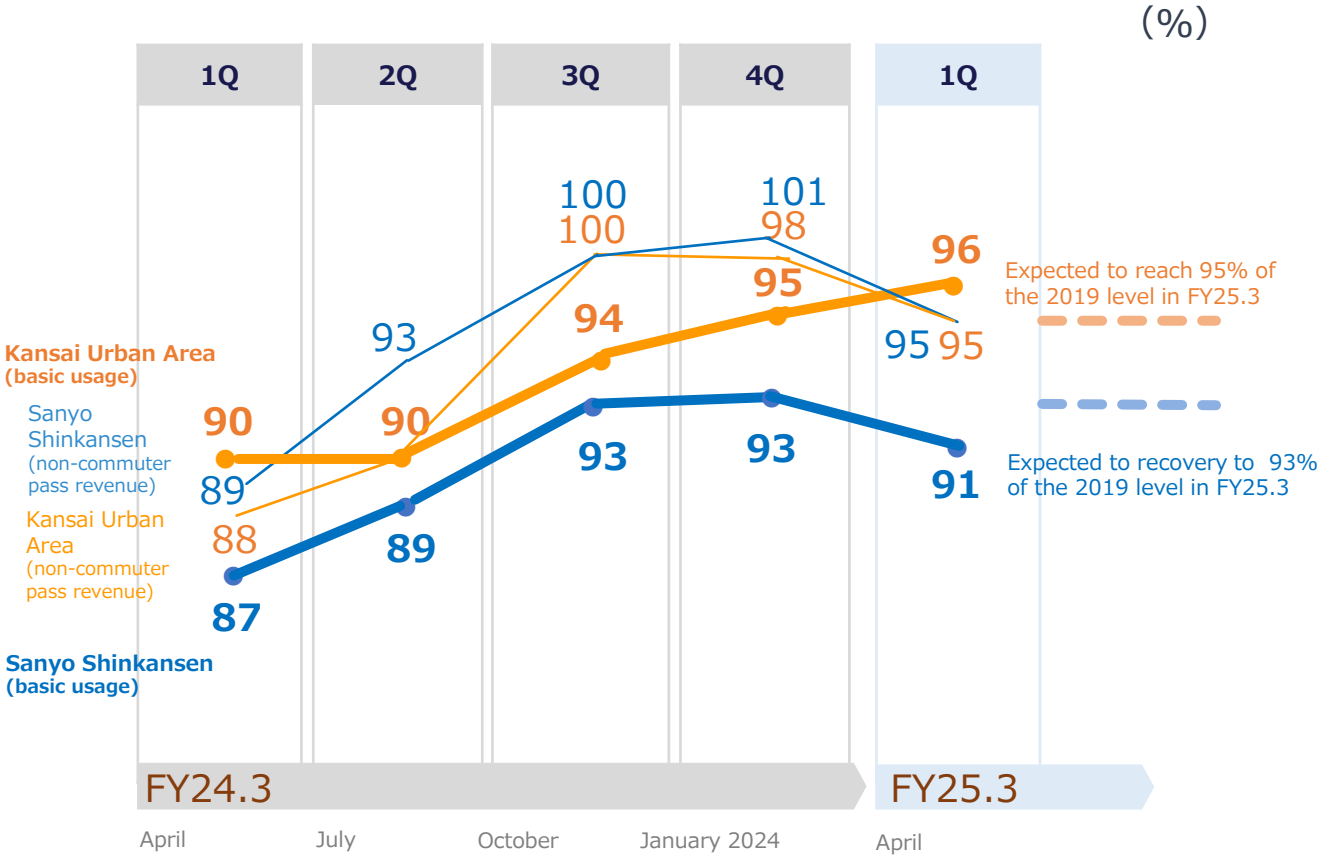
## FY2025.3 1Q Results Highlights

| | |
|---|---|
| Sanyo Shinkansen | Although it exceeded the previous year's level, basic usage was lower than expected due to weak holiday leisure demand |
| Hokuriku Shinkansen | Results were generally in line with expectations since demand from the Tokyo metropolitan area has been firm due to the opening of the Tsuruga extension |
| Kansai Urban Area | (Non-commuter passes) Basic usage for short-distance transport was broadly in line with estimates<br>Due to the impact of the Noto Peninsula earthquake, etc., usage between the Kansai/Chukyo and Hokuriku regions was sluggish, resulting in limited-express train usage falling short of expectations<br>(Commuter passes) No. of commuter pass users and revenue were broadly in line with estimates |
| Inbound Tourist (Transportation Revenue) | +20% year-on-year, broadly in line with estimates |
| Cost Structure Reform | Cost structure reform is moving steadily, resulting in a ¥7.5 billion decline in costs in FY2025.3 1Q versus the estimate of ¥38.0 billion for FY2025.3 |

# Mobility Segment: Related Indicators

## Transportation revenue and basic usage (vs. 2019)

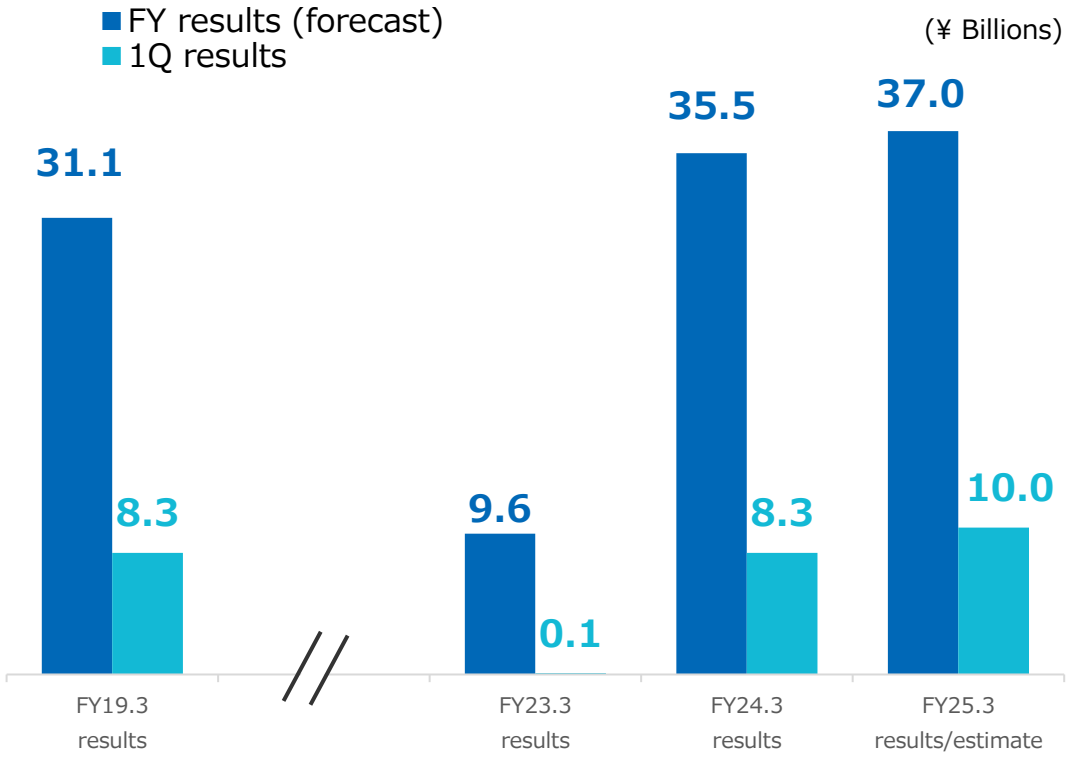
Sanyo Shinkansen: Domestic leisure was sluggish
Kansai Urban Area: Weak passenger flow between the Kansai/Chukyo and Hokuriku regions due to the impact of the Noto Peninsula Earthquake, etc.




Basic usage excludes increases and decreases in usage due to special factors such as inbound tourist-based usage and the day-date relationships during holiday periods.

## Inbound revenue (transportation revenue)

Inbound revenue reached a record high of ¥10.0 billion in FY25.3 1Q
Progress is in line with estimates (estimated inbound revenue is ¥37.0 billion in FY25.3)



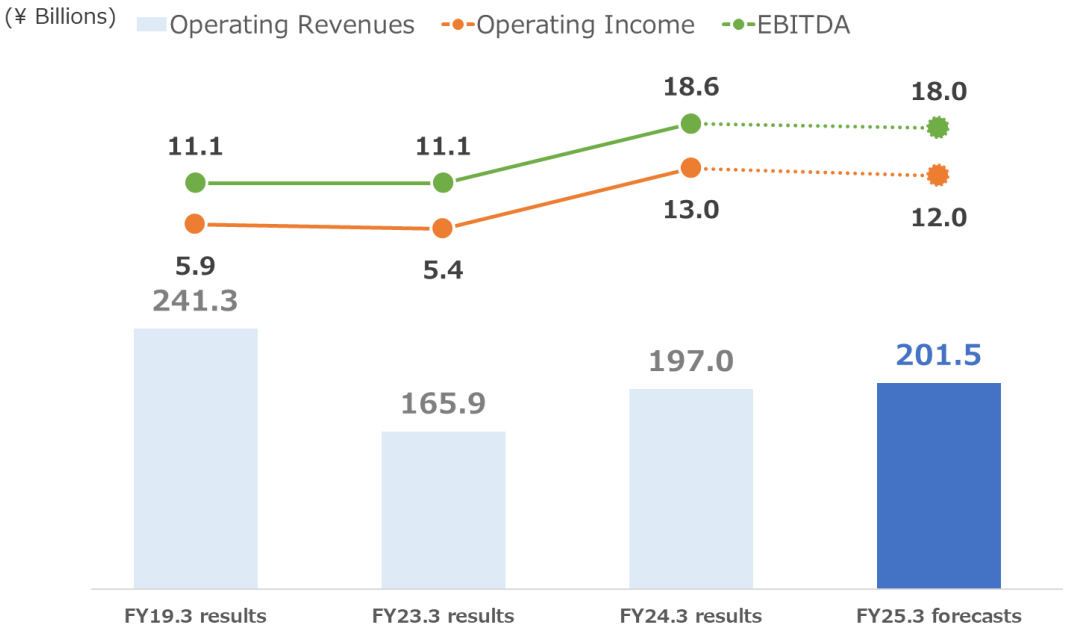

**Percentage of transportation revenue (full year)**

| | | | |
|---|---|---|---|
| 3.6% | 1.4% | 4.2% | 4.2% |

The figures are the totals of our revenues from products for inbound travelers and regular ticket use (estimated)
(Inbound traveler product revenues made up about 50% of total inbound revenue)

# Retail Segment

## Retail Results and Forecasts (full year)




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

| (¥ Billion) | FY24.3 1Q results | FY25.3 1Q results | FY25.3 forecasts (full year) |
|---|---|---|---|
| **Operating Revenues** (major breakdown) | **46.5** | **49.7** | **201.5** |
| Sales of goods and food services | 40.7 | 43.6 | 175.5 |
| Portion of revenues from VIA INN | 5.0 | 5.8 | 21.5 |
| Department stores | 5.3 | 5.7 | 24.5 |
| **Operating Income** (major breakdown) | **3.4** | **3.9** | **12.0** |
| Sales of goods and food services | 3.0 | 3.4 | 10.0 |
| Portion of income from VIA INN | 0.8 | 1.1 | 2.5 |
| Department stores | 0.3 | 0.4 | 2.0 |
| **EBITDA** | **4.7** | **5.3** | **18.0** |

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

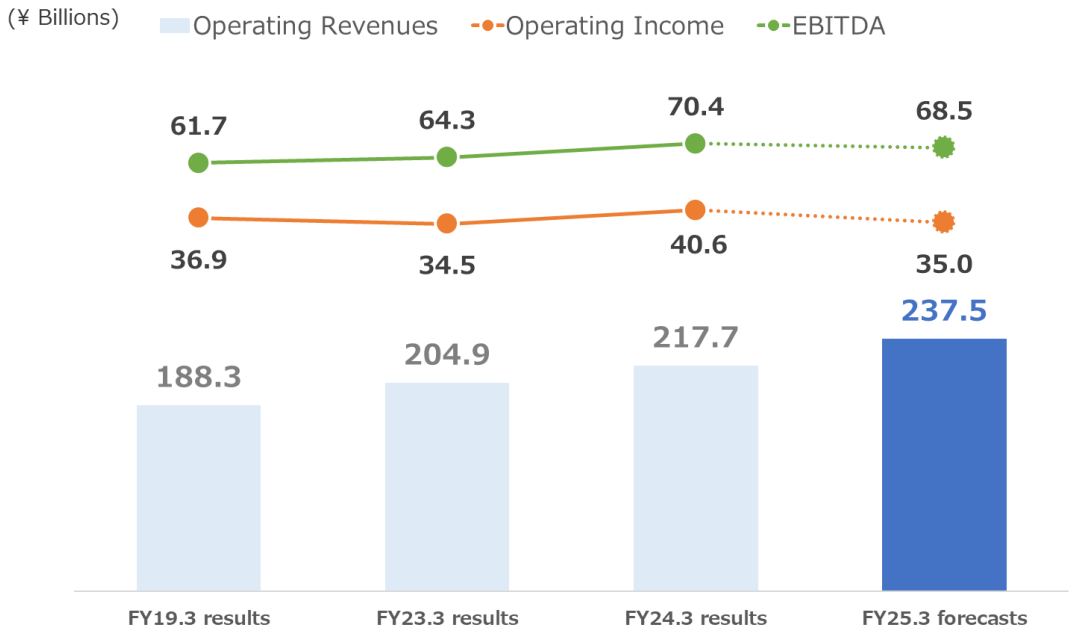
## FY2025.3 1Q Results Highlights

Revenues in the goods and food services reached a record high for the second consecutive year due to increased sales at stores within train stations and the recovery in train usage, increased accommodation revenue from VIA INN, and other factors

| | |
|---|---|
| Sales of goods | • Sales of goods was higher year on year and higher than expected due to the steady customer traffic within the train stations and strong demand for souvenirs mainly in the Kansai Urban Area and Fukuoka<br>• In 1Q, revenue exceeded FY2019.3 same store revenue |
| VIA INN | • ADR was higher than expected, partly due to capturing inbound demand<br>• In particular, ADR in the Tokyo area pushed up overall business; 1Q (April to June) ADR +11% year on year and +18% vs. 2019 |
| Department stores | • In 1Q, revenue and profit increased year on year due to an increase in duty-free sales and other factors. Performance was broadly in line with estimates. Kyoto store sales were above the 2019 level |

# Real Estate Segment

## Real Estate Results and Forecasts (full year)




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

| (¥ Billion) | FY24.3 1Q results | FY25.3 1Q results | FY25.3 forecasts (full year) |
|---|---|---|---|
| **Operating Revenues** (major breakdown) | **46.3** | **63.3** | **237.5** |
| Real estate lease and sales business | 22.5 | 37.6 | 125.5 |
| Portion of revenues from real estate leases | 13.4 | 16.0 | 57.0 |
| Portion of revenues from sales business | 9.1 | 21.6 | 68.5 |
| Shopping center business | 14.2 | 15.0 | 61.5 |
| Hotel business | 9.2 | 10.3 | 49.5 |
| **Operating Income** (major breakdown) | **10.3** | **13.2** | **35.0** |
| Real estate lease and sales business | 5.2 | 7.8 | 15.0 |
| Portion of income from real estate leases | 4.2 | 5.8 | 10.5 |
| Portion of income from sales business | 0.9 | 1.9 | 4.5 |
| Shopping center business | 2.7 | 3.3 | 10.0 |
| Hotel business | 0.2 | (0.6) | 0. 5 |
| **EBITDA** | **17.6** | **20.6** | **68.5** |

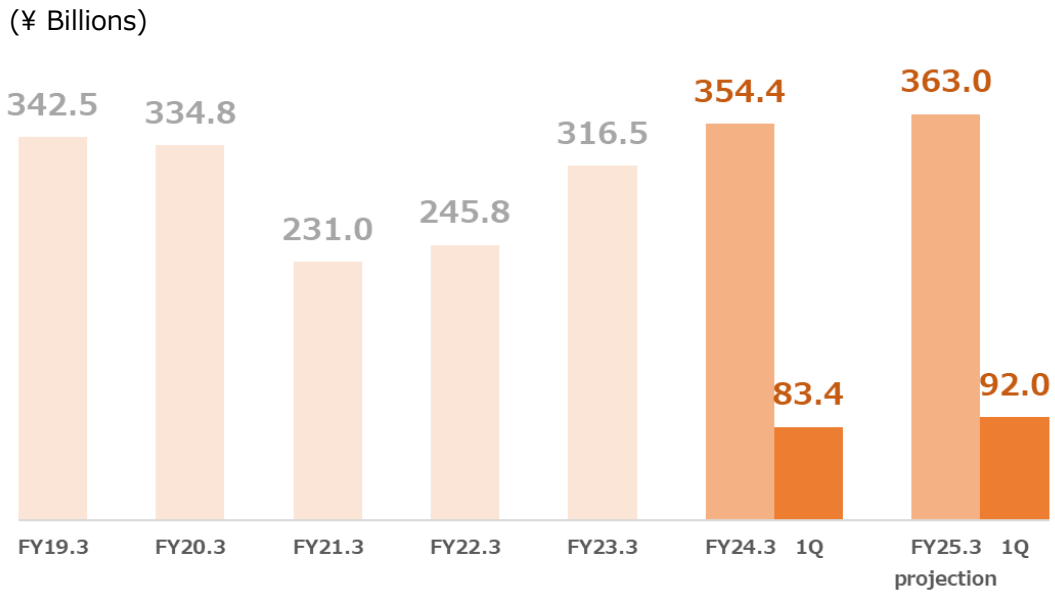
* The breakdowns of the figures for each segment are the sums of the figures of major subsidiaries and do not match the segment totals.

## FY2025.3 1Q Results Highlights

| | |
|---|---|
| Real estate lease and sales business | • Revenue and profit increased year on year due to an increase in sales to investors despite expenses associated with opening of projects in Osaka and depreciation expenses<br>• Progress in both revenue and profit was high, but broadly in line with estimates |
| Shopping center business | • The shopping center business achieved a record-high profit. Shopping center business performance in the Kyoto-Osaka-Kobe was strong due to increased inbound demand, exceeding expectations. |
| Hotel business | • Accommodation revenue increased year-on-year, partly due to the effect of an increase in inbound tourism. ADR +29% vs. 2019 (April to June).<br>• Eating/drinking and banquet demand recovered to about 90% of the 2019 level<br>• Hotel business performance is broadly in line with estimates, even when including the opening costs of the Osaka Station Hotel, which opened on July 31 |

# Real Estate Segment: Related Indicators

## Shopping center sales



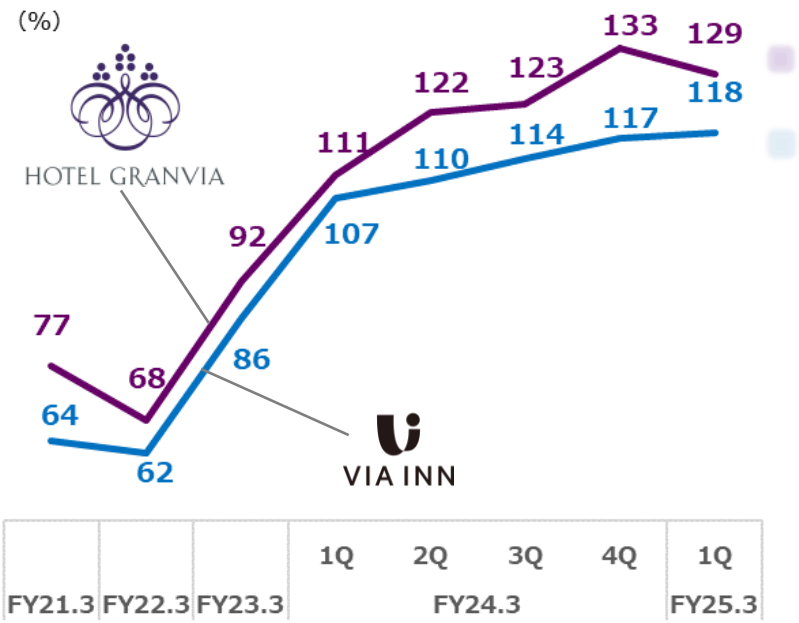

* Shopping center sales prior to FY23.3 have been adjusted to reflect the segment change at the beginning of FY24.3

### Newly opened properties

| | | | | |
|---|---|---|---|---|
| FY24.3 | Tete Myodani | Shamine Yonago | CURU-F Fukui Station | |
| In or after FY25.3 | BARCHICA 03 (Osaka) | Umekita Green Place | Hiroshima Station building | Sannomiya Station building |

## Hotel ADR

When ADR index is set to 100 for FY19.3



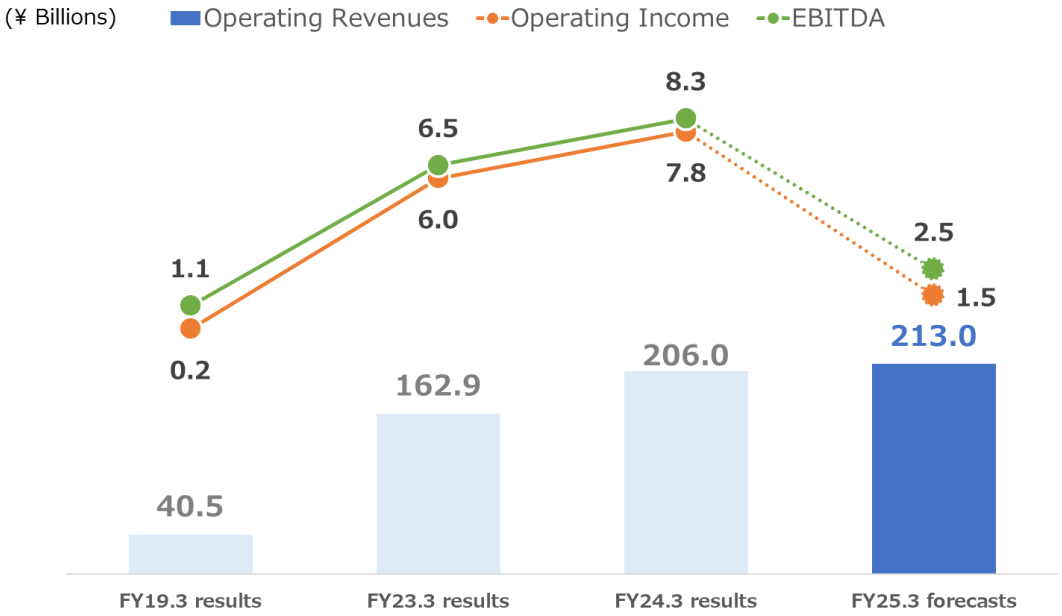

* The hotel chain VIA INN is a retail segment business.
* Figures for each period are based on an ADR index set to 100 for FY19.3.
  Each quarter is based on an ADR index set to 100 for the 2019 calendar year.

### Earnings forecast assumptions

| | GRANVIA | VIA INN |
|---|---|---|
| FY25.3 | Same level as at the end of previous fiscal year | Same level as previous fiscal year |

# Travel and Regional Solutions Segment

## Travel and Regional Solutions Results and Forecasts (full year)




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

| (¥ Billion) | FY24.3 1Q results | FY25.3 1Q results | FY25.3 forecasts (full year) |
|---|---|---|---|
| **Operating Revenues** | **49.6** | **44.2** | **213.0** |
| Tourism business | 21.9 | 22.4 | 96.0 |
| Solution business | 27.6 | 21.8 | 117.0 |
| **Operating Income** | **5.1** | **0.5** | **1.5** |
| Tourism business | 1.0 | 0.2 | 0.0 |
| Solution business | 4.1 | 0.2 | 1.5 |
| **EBITDA** | **5.2** | **0.6** | **2.5** |

## FY2025.3 1Q Results Highlights

**Tourism business:**

- Tourism business performance was broadly in line with estimates despite the fact that domestic travel demand in 1Q (January to March) was sluggish compared to the previous year due to pullback from the government's nationwide travel assistance and the impact of the 2024 Noto Peninsula Earthquake
- An increase in expenses are expected in advance of digital tourism, mainly in 2Q onward

**Solution business:**

- Revenue and profit decreased year on year due to a decline in orders for in vaccination administration-related work in FY24.3 1Q (January to March)
- Profits were in line with expectation due to consignment work for regional tourism promotion and economic stimulus initiatives and consignment work for inbound tourism organizations

# Medium-Term Management Plan 2025 Progress—Revitalize and restructure core businesses

**We will create demand through the Group-wide initiatives set out in Medium-Term Management Plan 2025 in preparation for the coming high-demand period and holiday season**

## Key Initiatives for Creating Demand

- **Maximize the effect of the opening of the Hokuriku Shinkansen (Kanazawa-Tsuruga extension)**

Opening of Hokuriku Shinkansen Tsuruga extension

- **Build momentum for the Osaka-Kansai Expo and take advantage of various business opportunities**

2025 Osaka/Kansai Expo Official Store

- **Create inbound tourism Japan by informing people about the great things that the West Japan area has to offer**

Setouchi Palette Project

Osaka Station Hotel

CURU-F Fukui Station

## Future Initiatives

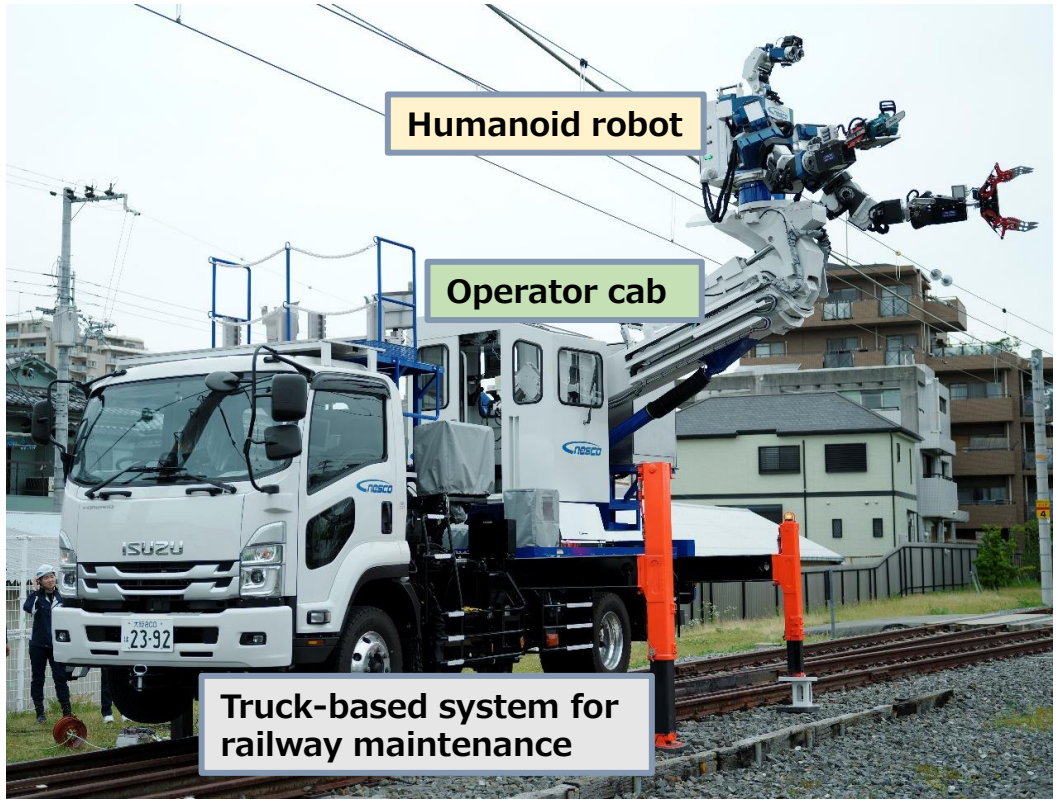
- **Hokuriku destination campaign (from Oct. 2024)**
- **Build an excursion route for new sightseeing train "Hana Akari"**
- **Take advantage of the 50th anniversary of the opening of the entire Sanyo Shinkansen line as a way to act customers**
- **Expansion of interaction population by leveraging the Forest Festival of the Arts OKAYAMA (from Sep. 2024)**
- **Expand sales channels**
  - Link reservations for the e5489 and Jorudan's Japan Transit Planner-Norikae Annai.
- **Maximize income through initiatives to improve unit prices**
  - All-reserved seating on Nozomi Shinkansen trains during the busiest holiday season
  - Guidance from local trains through seating service branding
- **Revise fare system in the Kyoto-Osaka-Kobe metropolitan region**
  - Simple and easy-to-understand fares for areas that offer the same level of transportation, by integrating multiple fare systems in that areas
  - Work to improve services such as accelerating barrier-free development

# Medium-Term Management Plan 2025 Progress—Revitalize and restructure core businesses

**Amid a labor shortage, we will enhance the sustainability of the railway business through collaboration with various partners**

## Multifunctional Railway Heavy Equipment

- Developed in partnership with Man-Machine Synergy Effectors, Inc. and Nippon Signal Co., Ltd.
- Technological and operational innovations in railroad equipment maintenance enable improved safety and productivity
- From its practical application in the railroad field, it will contribute to mechanization and manpower saving in various social infrastructure maintenance in the future




## Considering Unification of Train Equipment and Parts with JR East

- Aiming to commonalize equipment and parts for conventional railcars in order to maintain and develop the rail transportation business and provide stable transportation services to customers in the future despite expected declines in passenger traffic and the working population

| | |
|---|---|
| **Unification of train equipment and parts** | Improved efficiency of train manufacturers' and suppliers' manufacturing processes, improved productivity, and efficient equipment and part procurement |
| **Interaction between JR East and JR West to streamline train design processes and improve train design technology** | Deepen cross-company collaboration in the field of train design aimed at sustainable train manufacturing |

## Local Lines

- Discussions for rebuilding of the Geibi line are progressing
- The restructuring implementation plan for the Johana/Himi Line, certified in February 2024, is steadily advancing
  (change operating body to Ainokaze Toyama Railway by around five years)
- A decision was made to establish a new forum for discussions on the Mine Line
- Temporary Extra bus service trial (Oito Line) is being implemented, and other consultations are underway with local governments regarding the state of railway lines/sections

# Progress of Medium-Term Management Plan 2025—Opening of INOGATE OSAKA and JP TOWER OSAKA (July 31)

- **Inogate Osaka and JP Tower Osaka, which directly connect to the West Exit of JR Osaka Station, have opened as new bustling centers of activity**
- **Enhancing the area's value through improved convenience and circulation on the west side of Osaka Station in conjunction with the advance opening of Grand Green Osaka in September 2024**

## INOGATE OSAKA

バルチカ03

**Food and Beverage Zone BARCHICA 03 on 2-5F**

A food and beverage zone with 50 unique restaurants has opened

■Rendering of BARCHICA 03 on 5F

## JP TOWER OSAKA

THE OSAKA STATION HOTEL

AUTOGRAPH COLLECTION® HOTELS

## Development overview

Commercial: Food and beverage zone BARCHICA 03 (2-5F), TSUTAYA BOOKSTORE (6F)

Office: Compass Offices (flexible offices) (9-10F)

Note: Office floors 11-22F are scheduled to open starting in autumn 2024

Commercial: Approx. 16,000 square meters KITTE Osaka (B1-6F), Theater (6F)

Offices: Approximately 68,000 square meters (11-27F)

Hotel: The Osaka Station Hotel, Autograph Collection (29-38F)

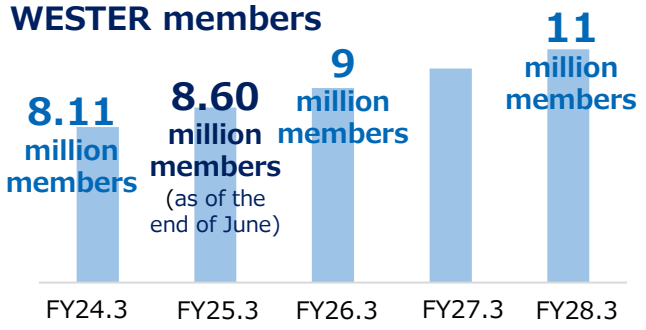
# Progress of Medium-Term Management Plan 2025—Digital strategy and new business creation

Digital

## Expansion of the WESTER economic zone/ WESTER-based experiences

- Encouraging repeated use of Group companies through point redemption for shopping centers and rail lines
- Expanding network by collaborating with TIMES MOBILITY, Fukuya Hiroshima Station Square Store, etc.

### Number of WESTER members




(figures are for the end of each period)

## Opening of Wester Mall (EC Mall) (April 2024)

- Enables users to purchase souvenirs at tourist destinations without having to line up during peak time
- Acceptance of items via smart locker-based pickups and sales on the Metaverse are also being considered

## Preparing for the launch of the WESTER Wallet (provisional name) service within FY2025.3

New Businesses

## JCLaaS (Comprehensive Infrastructure Management Business)

Selected for Public-Private Partnership Modeling Project* proposed by the Ministry of Land, Infrastructure, Transport and Tourism
(Proposed method for bridge maintenance)

* A support system for the establishment of a new public-private partnership between private businesses and the Ministry of Land, Infrastructure, Transport and Tourism

## XR Virtual Osaka Station 3.0 (Metaverse)

Total number of visitors: Over 15 million visitors
(visitor count 3 1/2 months after launch)

## Taking on the Challenge of Creating New Businesses

- Business co-creation program "Bernal": Co-creation with start-up companies
- Innovation Creation Program: Internal recruitment

# Dialogs with Investors and Shareholders After the Medium-Term Management Plan 2025 Update

| Theme | Feedback from investors and shareholders | Our initiatives |
|---|---|---|
| Growth strategy to enhance corporate value<br><br>Creation of an optimal business portfolio | ● As JR West is working to create a business portfolio that includes real estate and city development, digital strategy, new business development, we would like JR West to disclose more information on the direction and progress of each business development. | ● We reaffirmed the importance of dialog with investors and shareholders, while actively disclosing information on the implementation of the Medium-Term Management Plan measures and progress toward achieving managerial targets.<br><br>● We will build a resilient business portfolio and achieve sustainable growth for the entire JR West group, by investing the cash generated from each business in growth businesses of the life design field. |
| Management with an awareness of the cost of capital and stock price | ● The business environment is changing after the COVID-19 pandemic, so we would like JR West to manage and develop its business with an awareness of appropriate cost of capital, taking into account the business environment in which price revisions are not easy to implement. | ● We continue to be aware of the appropriate cost of equity in light of uncertainties such as the COVID-19 pandemic and inflation, and will make efforts to reduce the cost of equity and increase corporate and shareholder value through portfolio construction and appropriate information disclosure. |

| | |
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# Consolidated Statements of Income

¥ Billions

| | 3 months ended Jun. 30, 2023 | **3 months ended Jun. 30, 2024** | YoY Increase/ (Decrease) | YoY % | Major factors | **Forecasts FY2025.3** | YoY Increase/ (Decrease) | YoY % |
|---|---|---|---|---|---|---|---|---|
| **Operating Revenues** | **369.2** | **402.7** | **33.5** | **9.1** | **[Increase for a fourth straight fiscal year]** | **1,718.0** | **82.9** | **5.1** |
| Mobility | 221.5 | 239.4 | 17.8 | 8.1 | Increase in transportation revenue | 1,037.5 | 51.0 | 5.2 |
| Retail | 46.5 | 49.7 | 3.2 | 7.0 | Increase in sales of goods and food services | 201.5 | 4.4 | 2.3 |
| Real estate | 46.3 | 63.3 | 17.0 | 36.8 | Increase in real estate lease and sale, and hotel business | 237.5 | 19.7 | 9.1 |
| Travel and regional solutions | 49.6 | 44.2 | (5.3) | (10.8) | Decrease in contracted business | 213.0 | 6.9 | 3.4 |
| Other businesses | 5.2 | 5.9 | 0.6 | 13.2 | | 28.5 | 0.6 | 2.3 |
| **Operating Expenses** | **317.0** | **344.5** | **27.4** | **8.7** | | **1,548.0** | **92.7** | **6.4** |
| **Operating Income** | **52.2** | **58.2** | **6.0** | **11.5** | **[Increase for a fourth straight fiscal year]** | **170.0** | **(9.7)** | **(5.4)** |
| Mobility | 32.8 | 39.5 | 6.7 | 20.4 | Increase in transportation revenue | 120.0 | 5.5 | 4.8 |
| Retail | 3.4 | 3.9 | 0.5 | 14.7 | Increase in sales of goods and food services | 12.0 | (1.0) | (8.2) |
| Real estate | 10.3 | 13.2 | 2.8 | 27.4 | Increase in real estate lease and sale<br>Decrease in hotel business | 35.0 | (5.6) | (13.9) |
| Travel and regional solutions | 5.1 | 0.5 | (4.6) | (89.6) | Decrease in contracted business | 1.5 | (6.3) | (80.9) |
| Other businesses | 0.1 | 0.7 | 0.5 | 432.3 | | 3.0 | (1.2) | (29.1) |
| Non-operating revenues and expenses, net | (3.5) | (2.9) | 0.5 | – | | (14.5) | (2.1) | – |
| **Recurring Income** | **48.6** | **55.2** | **6.6** | **13.6** | **[Increase for a fourth straight fiscal year]** | **155.5** | **(11.8)** | **(7.1)** |
| Extraordinary profit and loss, net | (0.1) | 0.7 | 0.8 | – | | (5.0) | 17.2 | – |
| Income taxes | 13.7 | 16.9 | 3.2 | 23.6 | | 45.5 | 4.6 | 11.5 |
| **Income attributable to owners of parent** | **33.3** | **38.2** | **4.9** | **14.9** | **[Increase for the first time in two fiscal years]** | **100.0** | **1.2** | **1.3** |
| **Comprehensive Income** | **36.5** | **39.7** | **3.1** | **8.6** | Include 38.9 billion of comprehensive income attributable to shareholders of parent company | **–** | **–** | **–** |

Note: Figures in brackets ( ) are negative values.

# Major Factors of Increase/Decrease in Each Segment

¥ Billions

| | | | 3 months ended Jun. 30, 2023 | **3 months ended Jun. 30, 2024** | YoY Increase/(Decrease) | YoY % | Major factors |
|---|---|---|---|---|---|---|---|
| **Mobility** | | Operating Revenues | 221.5 | **239.4** | 17.8 | 8.1 | ・Recovery in demand (train usage)<br>・Increase in inbound demand |
| | | Operating Income | 32.8 | **39.5** | 6.7 | 20.4 | |
| **Retail** | **Sales of goods and food services** | Operating Revenues | 40.7 | **43.6** | 2.8 | 7.0 | ・Increase in sales of station concourse stores |
| | | 【restated:Accommodation-oriented budget hotels】 | 【5.0】 | **【5.8】** | 【0.7】 | 【15.6】 | ・Increase in average daily rate |
| | | Operating Income | 3.0 | **3.4** | 0.3 | 11.4 | |
| | | 【restated:Accommodation-oriented budget hotels】 | 【0.8】 | **【1.1】** | 【0.3】 | 【44.5】 | |
| | **Department stores** | Operating Revenues | 5.3 | **5.7** | 0.3 | 7.0 | ・Increase in duty-free sales |
| | | Operating Income | 0.3 | **0.4** | 0.1 | 50.8 | |
| **Real estate** | **Real estate lease and sale** | Operating Revenues | 22.5 | **37.6** | 15.0 | 66.8 | ・Increase in sales to investors |
| | | 【restated:Real estate sale】 | 【9.1】 | **【21.6】** | 【12.5】 | 【136.9】 | |
| | | Operating Income | 5.2 | **7.8** | 2.6 | 49.7 | |
| | | 【restated:Real estate sale】 | 【0.9】 | **【1.9】** | 【1.0】 | 【107.1】 | |
| | **Shopping center** | Operating Revenues | 14.2 | **15.0** | 0.8 | 5.9 | ・Increase in rent income due to a rise in tenant sales |
| | | Operating Income | 2.7 | **3.3** | 0.5 | 21.3 | |
| | **Hotel** | Operating Revenues | 9.2 | **10.3** | 1.0 | 11.7 | ・Increase in average daily rate |
| | | Operating Income | 0.2 | **(0.6)** | (0.9) | — | ・The Osaka Station Hotel opening expenses |
| **Travel and regional solutions** | | Operating Revenues | 49.6 | **44.2** | (5.3) | (10.8) | ・Reduction due to the rebound in contracted business |
| | | Operating Income | 5.1 | **0.5** | (4.6) | (89.6) | |

Notes:

・The breakdowns of operating revenues and operating income by each segment are the sums of those of major subsidiaries and do not match the total segment figures..

・Figures in brackets ( ) are negative values.

# Non-Consolidated Statements of Income

¥ Billions

| | 3 months ended Jun. 30, 2023 | **3 months ended Jun. 30, 2024** | YoY | | Major factors | **Forecasts FY2025.3** | YoY | |
|---|---|---|---|---|---|---|---|---|
| | | | Increase/ (Decrease) | % | | | Increase/ (Decrease) | % |
| **Operating Revenues** | **221.4** | **237.4** | **16.0** | **7.2** | **[Increase for a fourth straight fiscal year]** | **992.0** | **47.7** | **5.1** |
| Transportation revenues | 197.5 | 212.5 | 14.9 | 7.6 | | 887.0 | 46.4 | 5.5 |
| Transportation incidentals | 3.8 | 3.7 | (0.0) | (1.2) | | 15.5 | (0.4) | (2.7) |
| Other operations | 7.0 | 7.1 | 0.1 | 1.8 | | 28.0 | (0.4) | (1.6) |
| Miscellaneous | 13.0 | 14.0 | 0.9 | 7.5 | Increase in intercompany settlements, etc. | 61.4 | 2.2 | 3.7 |
| **Operating Expenses** | **183.7** | **193.2** | **9.5** | **5.2** | | **872.0** | **43.1** | **5.2** |
| | | Structural reforms ¥(7.5) billion | | | | Structural reforms ¥(38.0) billion | | |
| Personnel costs | 48.1 | 51.8 | 3.7 | 7.8 | Increase in bonus, etc. | 205.5 | 1.0 | 0.5 |
| Non personnel costs | 88.5 | 91.5 | 2.9 | 3.4 | | 459.5 | 29.8 | 6.9 |
| Energy costs | 16.4 | 14.2 | (2.2) | (13.7) | Reduction in fuel unit prices, etc. | 60.0 | (0.0) | (0.1) |
| Maintenance costs | 25.5 | 26.4 | 0.9 | 3.7 | | 166.0 | 7.8 | 5.0 |
| Miscellaneous costs | 46.4 | 50.8 | 4.3 | 9.3 | Increase in intercompany settlements, Increase in WESTER-related expenses, etc. | 233.5 | 22.0 | 10.4 |
| Rental payments, etc. | 6.6 | 8.9 | 2.3 | 34.4 | Increase due to the extension of the Hokuriku Shinkansen to Tsuruga | 35.5 | 8.2 | 30.5 |
| Taxes | 9.4 | 9.6 | 0.2 | 2.3 | | 40.0 | 0.5 | 1.3 |
| Depreciation and Amortization | 30.9 | 31.2 | 0.2 | 0.8 | | 131.5 | 3.4 | 2.7 |
| **Operating Income** | **37.6** | **44.1** | **6.5** | **17.3** | **[Increase for a fourth straight fiscal year]** | **120.0** | **4.5** | **3.9** |

Note: Figures in brackets ( ) are negative values.

# Transportation Revenues and Passenger-Kilometers

## Transportation Revenues

%, ¥Billions

| | | | 3 months ended Jun. 30, 2024 | YoY Increase/(Decrease) | YoY % | compared with CY2019 | Forecasts FY2025.3 | YoY Increase/(Decrease) | YoY % |
|---|---|---|---|---|---|---|---|---|---|
| Shinkansen | Sanyo Shinkansen | Commuter Passes | **2.8** | 0.1 | 3.8 | 7.5 | – | – | – |
| | | Non-Commuter Passes | **97.0** | 6.5 | 7.2 | (4.8) | – | – | – |
| | | Total | **99.8** | 6.6 | 7.1 | (4.5) | **427.0** | 21.5 | 5.3 |
| | Hokuriku Shinkansen | Commuter Passes | **0.4** | 0.2 | 104.1 | 107.0 | – | – | – |
| | | Non-Commuter Passes | **17.3** | 8.4 | 94.1 | 71.1 | – | – | – |
| | | Total | **17.8** | 8.6 | 94.3 | 71.8 | **78.0** | 35.7 | 84.4 |
| | Commuter Passes | | **3.3** | 0.3 | 11.5 | 15.3 | – | – | – |
| | Non-Commuter Passes | | **114.4** | 14.9 | 15.0 | 2.0 | – | – | – |
| | Total | | **117.7** | 15.2 | 14.9 | 2.4 | **505.0** | 57.2 | 12.8 |
| Conventional lines | Kansai Urban Area (Kyoto-Osaka-Kobe Area) | Commuter Passes | **27.4** | 0.7 | 2.8 | (7.6) | – | – | – |
| | | Non-Commuter Passes | **48.4** | 3.2 | 7.1 | (5.4) | – | – | – |
| | | Total | **75.8** | 3.9 | 5.5 | (6.2) | **305.0** | 10.7 | 3.6 |
| | Other | Commuter Passes | **5.2** | (0.3) | (6.7) | (16.7) | – | – | – |
| | | Non-Commuter Passes | **13.6** | (3.9) | (22.3) | (35.4) | – | – | – |
| | | Total | **18.8** | (4.2) | (18.5) | (31.1) | **77.0** | (21.5) | (21.9) |
| | Commuter Passes | | **32.7** | 0.3 | 1.2 | (9.2) | – | – | – |
| | Non-Commuter Passes | | **62.0** | (0.6) | (1.1) | (14.2) | – | – | – |
| | Total | | **94.7** | (0.3) | (0.3) | (12.5) | **382.0** | (10.8) | (2.8) |
| Total | Commuter Passes | | **36.0** | 0.7 | 2.0 | (7.4) | – | – | – |
| | Non-Commuter Passes | | **176.4** | 14.2 | 8.8 | (4.3) | – | – | – |
| | Total | | **212.5** | 14.9 | 7.6 | (4.8) | **887.0** | 46.4 | 5.5 |

## Passenger-Kilometers

%, Millions of passenger-kilometers

| | | | 3 months ended Jun. 30, 2024 | YoY Increase/(Decrease) | YoY % | compared with CY2019 |
|---|---|---|---|---|---|---|
| Shinkansen | Sanyo Shinkansen | Commuter Passes | **231** | 11 | 5.4 | 8.8 |
| | | Non-Commuter Passes | **4,163** | 53 | 1.3 | (13.1) |
| | | Total | **4,394** | 65 | 1.5 | (12.1) |
| | Hokuriku Shinkansen | Commuter Passes | **32** | 17 | 116.0 | 111.4 |
| | | Non-Commuter Passes | **562** | 275 | 96.2 | 71.4 |
| | | Total | **594** | 293 | 97.2 | 73.2 |
| | Commuter Passes | | **263** | 29 | 12.6 | 15.8 |
| | Non-Commuter Passes | | **4,725** | 329 | 7.5 | (7.7) |
| | Total | | **4,989** | 358 | 7.7 | (6.7) |
| Conventional lines | Kansai Urban Area (Kyoto-Osaka-Kobe Area) | Commuter Passes | **4,399** | 49 | 1.1 | (9.8) |
| | | Non-Commuter Passes | **2,492** | 105 | 4.4 | (12.4) |
| | | Total | **6,891** | 155 | 2.3 | (10.8) |
| | Other | Commuter Passes | **893** | (66) | (6.9) | (15.5) |
| | | Non-Commuter Passes | **645** | (183) | (22.1) | (37.4) |
| | | Total | **1,539** | (249) | (14.0) | (26.3) |
| | Commuter Passes | | **5,293** | (16) | (0.3) | (10.9) |
| | Non-Commuter Passes | | **3,138** | (77) | (2.4) | (19.0) |
| | Total | | **8,431** | (94) | (1.1) | (14.1) |
| Total | Commuter Passes | | **5,556** | 13 | 0.2 | (9.9) |
| | Non-Commuter Passes | | **7,864** | 251 | 3.3 | (12.6) |
| | Total | | **13,421** | 264 | 2.0 | (11.5) |

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

# Major Factors for Increase/Decrease in Transportation Revenue

¥ Billions

| | | Results for 3 months ended June 30, 2024 | | | | |
|---|---|---|---|---|---|---|
| | | | YoY | | Major factors | |
| | | | Increase/ (Decrease) | % | | |
| | Sanyo Shinkansen | **99.8** | 6.6 | 7.1 | Fundamental trend 0.0% | |
| | | | | | Special factors | |
| | | | | | ・Recovery of travel demand | 4.9 |
| | | | | | ・Increase in inbound demand | 0.5 |
| | | | | | | |
| | | | | | etc. | |
| | Hokuriku Shinkansen | **17.8** | 8.6 | 94.3 | Fundamental trend 0.0% | |
| | | | | | Special factors | |
| | | | | | ・Hokuriku Shinkansen Extension to Tsuruga | 8.6 |
| | | | | | | |
| | | | | | | |
| | | | | | etc. | |
| | Shinkansen | **117.7** | 15.2 | 14.9 | | |
| | Kansai Urban Area (Kyoto-Osaka-Kobe Area) | **75.8** | 3.9 | 5.5 | Fundamental trend 0.0% | |
| | | | | | Special factors | |
| | | | | | ・Recovery of travel demand | 2.9 |
| | | | | | ・Increase in inbound demand | 1.0 |
| | | | | | ・Hokuriku Shinkansen Extension to Tsuruga | (0.3) |
| | | | | | etc. | |
| | Other lines | **18.8** | (4.2) | (18.5) | Fundamental trend 0.0% | |
| | | | | | Special factors | |
| | | | | | ・Recovery of travel demand | 1.4 |
| | | | | | ・Increase in inbound demand | 0.1 |
| | | | | | ・Hokuriku Shinkansen Extension to Tsuruga | (5.8) |
| | | | | | etc. | |
| | Conventional lines | **94.7** | (0.3) | (0.3) | | |
| Total | | **212.5** | 14.9 | 7.6 | | |

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

# Capital Expenditures

¥ Billions

| | 3 months ended Jun. 30, 2023 | **3 months ended Jun. 30, 2024** | YoY Increase/ (Decrease) | YoY % | **Forecasts FY2025.3** |
|---|---|---|---|---|---|
| **Capital Expenditures Consolidated** | 44.0 | **48.8** | 4.8 | 10.9 | **–** |
| **Own fund** | 42.8 | **47.9** | 5.0 | 11.9 | **294.0** |
| External fund | 1.2 | **0.9** | (0.2) | (23.0) | **–** |
| **Capital Expenditures Non-consolidated** | 20.3 | **19.1** | (1.1) | (5.8) | **–** |
| **Own fund** | 19.1 | **18.2** | (0.9) | (4.7) | **174.0** |
| [Break down] [Safety-related capital expenditures] | [13.8] | **[13.5]** | [(0.2)] | [(2.0)] | **[101.0]** |
| [Other, etc.] | [5.3] | **[4.7]** | [(0.6)] | [(11.8)] | **[73.0]** |
| External fund | 1.2 | **0.9** | (0.2) | (23.0) | **–** |

Note: Figures in brackets ( ) are negative values.

・Major capital expenditure projects（Non-consolidated）

- new rolling stock（N700S series, Yakumo Ltd. Exp., Okayama area commuter trains）
- safety and disaster prevention measures（earthquake countermeasures）etc.

# Consolidated Balance Sheet

¥ Billions

| | As of March 31, 2024 | **As of June 30, 2024** | Difference increase/(decrease) | Major factors |
|---|---|---|---|---|
| **Current assets** | 700.9 | 539.2 | (161.6) | Decrease in notes and accounts receivables, Decrease in accounts receivables |
| Cash and deposits | 233.4 | 134.7 | (98.7) | |
| Inventories | 160.6 | 174.3 | 13.7 | |
| Other current assets | 306.8 | 230.2 | (76.6) | |
| **Non-current assets** | 3,078.9 | 3,073.5 | (5.3) | |
| Property, plant and equipment, etc. | 2,557.2 | 2,552.8 | (4.3) | |
| Construction in progress | 122.6 | 132.8 | 10.1 | |
| Investments and other assets | 398.9 | 387.8 | (11.1) | |
| **Deferred assets** | 0.1 | 0.0 | (0.1) | |
| **Total assets** | **3,780.0** | **3,612.9** | **(167.1)** | |
| **Current liabilities** | 710.1 | 645.3 | (64.7) | |
| Current portion of long-term payables, etc. | 138.4 | 161.2 | 22.7 | |
| Accounts payable-other, etc. | 571.7 | 484.1 | (87.5) | |
| **Non-current liabilities** | 1,842.7 | 1,750.0 | (92.7) | |
| Bond and Long-term debt, etc. | 1,415.9 | 1,319.7 | (96.2) | |
| Accrued retirement benefits | 211.6 | 213.4 | 1.7 | |
| Other long-term liabilities | 215.1 | 216.8 | 1.7 | |
| **Total liabilities** | **2,552.9** | **2,395.4** | **(157.5)** | |
| **Shareholders' equity** | 1,103.4 | 1,092.5 | (10.8) | |
| Common stock | 226.1 | 226.1 | – | |
| Capital surplus | 183.9 | 183.9 | – | |
| Retained earnings | 694.6 | 712.2 | 17.6 | Profit attributable to owners of parent:38.2<br>Dividend:(20.6) |
| Treasury stock | (1.2) | (29.7) | (28.5) | |
| **Accumulated other comprehensive income** | 4.6 | 5.2 | 0.6 | |
| **Non-controlling interests** | 119.0 | 119.6 | 0.6 | |
| **Total Net assets** | **1,227.1** | **1,217.5** | **(9.5)** | |
| **Total Liabilities and net assets** | **3,780.0** | **3,612.9** | **(167.1)** | |

| | As of March 31, 2024 | As of June 30, 2024 | Difference increase/(decrease) |
|---|---|---|---|
| **Liabilities with interest** | **1,563.4** | **1,491.4** | **(72.0)** |
| 【Average interest rate（%）】 | 【1.22】 | 【1.25】 | 【0.03】 |
| Shinkansen Purchase Liability | 97.4 | 97.4 | – |
| 【Average interest rate（%）】 | 【6.55】 | 【6.55】 | 【–】 |
| Bonds | 859.9 | 810.4 | (49.4) |
| 【Average interest rate（%）】 | 【1.01】 | 【1.07】 | 【0.06】 |
| Other(Long-term debt etc.) | 606.0 | 583.5 | (22.5) |

Notes:

- Accounting policies have been changed from the beginning of FY2025.3, and the figures for the FY2024.3 have been retroactively applied.
- Figures in brackets (　) are negative values.

# Various Management Indicators

persons, ￥Billions

| | FY2024.3 | | FY2025.3 | |
|---|---|---|---|---|
| | 3 months ended Jun. 30 | As of Mar. 31 | **3 months ended Jun. 30** | Forecasts As of Mar. 31 |
| **ROA (%, Consolidated)** | – | 4.8 | **–** | 4.6 |
| **ROE (%, Consolidated)** | – | 9.2 | **–** | 9.1 |
| **EBITDA（Consolidated）** | 91.7 | 343.0 | **98.1** | 343.0 |
| **Depreciation (Consolidated)** | 39.5 | 163.3 | **39.9** | 173.0 |

| | Consolidated | Non-Consolidated | Consolidated | Non-Consolidated | **Consolidated** | **Non-Consolidated** | Consolidated | Non-Consolidated |
|---|---|---|---|---|---|---|---|---|
| **No. of employees at the end of period** | 45,897 | 22,262 | 44,366 | 21,314 | **46,294** | **22,150** | – | – |
| **Financial Expenses, net** | (4.6) | (3.4) | (19.1) | (17.1) | **(4.2)** | **(3.2)** | (18.4) | (16.0) |
| **Interest and dividend income** | 0.4 | 1.6 | 0.9 | 3.0 | **0.5** | **1.6** | 1.0 | 3.6 |
| **Interest expenses** | 5.0 | 5.0 | 20.1 | 20.1 | **4.8** | **4.9** | 19.4 | 19.6 |

| | | | | |
|---|---|---|---|---|
| **Net Debt / EBITDA** | – | 3.9 | **–** | – |
| **Equity ratio (%)** | – | 29.3 | **30.4** | – |
| **Net income per share（EPS）（￥）** | 68.35 | 202.63 | **79.03** | 205.16 |
| **Net assets per share（BPS）（￥）** | – | 2,273.29 | **2,295.65** | – |

Note: Figures in brackets（ ）are negative values.

| | FY2024.3 | | Forecasts FY2025.3 | |
|---|---|---|---|---|
| | Interim | Year-end【total】 | Interim | Year-end【total】 |
| **Dividends（￥）** | 57.5 | 84.5【142.0】 | 36.0 | 36.0【72.0】 |

Notes:

- The Company conducted a 2-for-1 stock split of shares of common stock that became effective on April 1, 2024. Net income per share (EPS) and net assets per share (BPS) are calculated assuming this stock split was conducted at the beginning of the fiscal year ending March 31, 2024. Please note that dividends for FY2024.3 are pre-stock split dividends.
- Accounting policies have been changed from the beginning of FY2025.3, and the figures for the FY2024.3 have been retroactively applied.

| | |
|---|---|
| Overview of FY2025.3, 1Q Financial Results | P. 2 |
| FY2025.3, 1Q Results and Earnings Forecasts (Details) | P. 15 |
| Updating of the Medium-Term Management Plan 2025 (reprint) | P. 24 |
| Appendix | P. 51 |

# Management Issues and Future Direction of the Company

**Our Purpose** | **Evolve connections among people, communities, and societies, stir the heart. Drive the future.**

## Medium-Term Management Plan 2025 Progress

**Key strategies**

| | |
|---|---|
| **Improve safety of railways** | Promote the development of systems and hardware in accordance with the JR-West Group Railway Safety Think-and-Act Plan 2027 |
| | In particular, there is room for improvement in work safety and transportation quality |
| **Revitalize and restructure core businesses** | Progress is being made in capturing demand for use of the Hokuriku Shinkansen extension, inbound tourism, etc., and structural reforms |
| **Further evolve real estate and city development** | Steadily promote projects in Osaka and Hiroshima; Expand REITs and other businesses |
| **Develop diverse services via digital strategy** | Mobile ICOCA and Group-wide WESTER economic zone expansion |
| **Create new businesses** | Launch Infrastructure Management Business (JCLaaS) and build related systems |
| **Realize sustainability management** | Build an optimal transportation system for the region |
| | Create an environment in which diverse human resources can play an active role |

→ **Recovery of earnings at a level exceeding plan targets**

→ **Contribute to enhancing the vitality of people, communities, and societies**

## Management issues that we clearly perceive and need to address

**Management environment**

- Booming tourism and inbound business
- Actualization of labor shortages
- Arrival of an inflationary society
- Diversifying customer needs
- etc.

↓

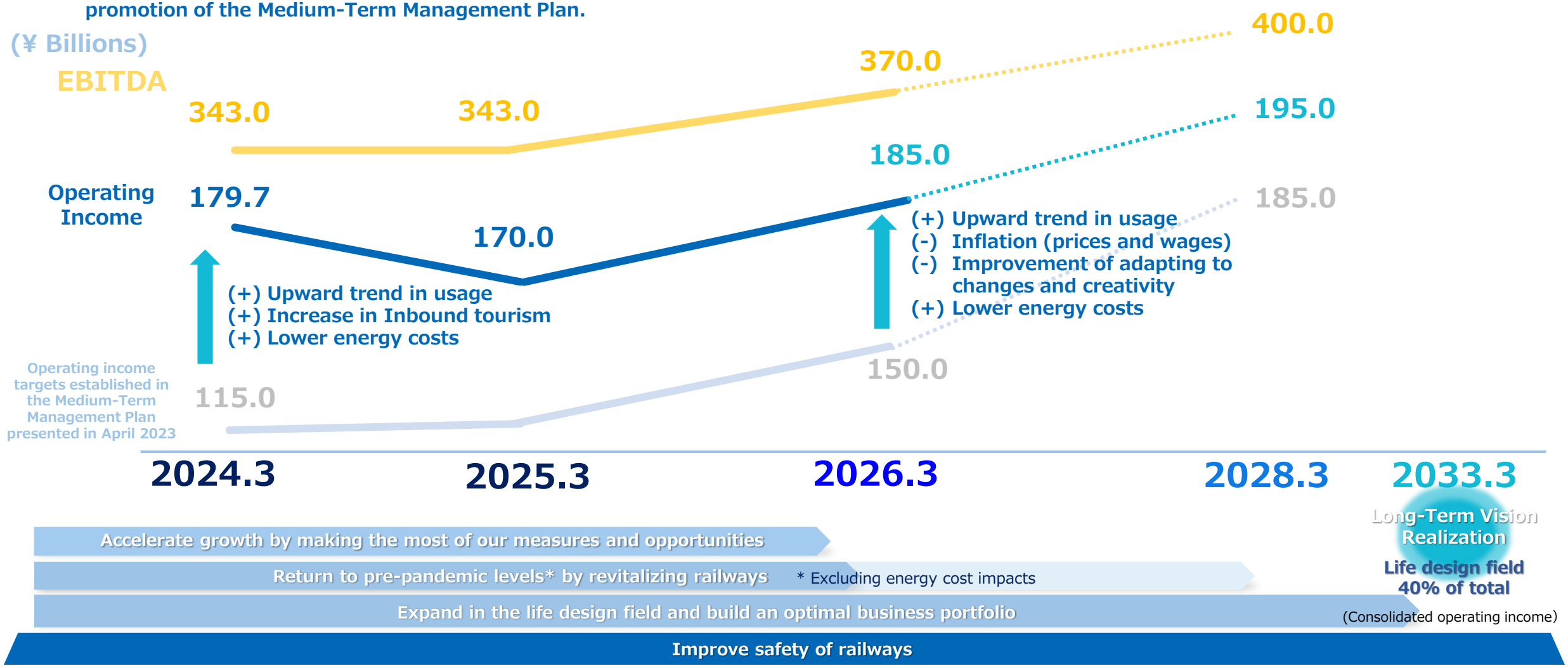
- **Improvement of safety and continuous advancement of railway business**
- **Value creation as a group**
- **Improvement of adapting to changes and creativity**

↓

**Accelerating the realization of Our Purpose and Long-Term Vision, by introducing new measures to address clearly perceived management issues, and by materializing initiatives of key strategies under the Medium-Term Management Plan 2025 and our value creation process**

# Updating of the Medium-Term Management Plan 2025

- The basic strategies of the Plan remain unchanged. Numerical targets were changed (updated) based on increased usage resulting from the implementation of the Medium-Term Management Plan, the results of structural reforms, and changes in the external environment.
- In FY26.3, we aim to achieve our initial operating income target level for FY28.3 and a record-high EBITDA. Operating income for FY28.3 is expected to reach a record-high level.
- To realize our Long-Term Vision and address medium- to long-term management issues, we will further allocate resources and accelerate the promotion of the Medium-Term Management Plan.




Accelerate growth by making the most of our measures and opportunities

Return to pre-pandemic levels* by revitalizing railways

* Excluding energy cost impacts

Expand in the life design field and build an optimal business portfolio

Improve safety of railways

# Updating of the Medium-Term Management Plan 2025: Targets by Segment

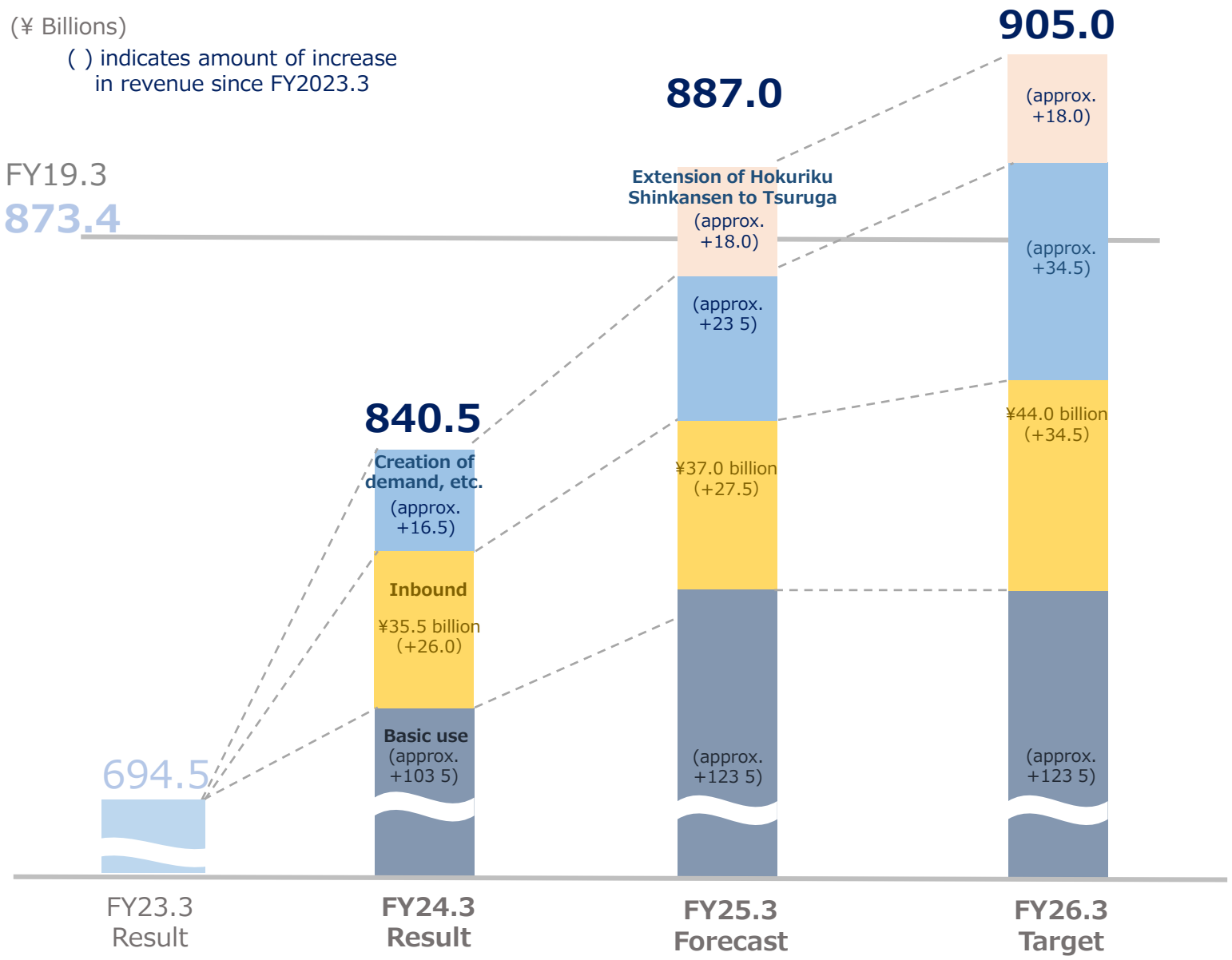
| (¥ Billions) | FY19.3 results*1*2 | FY23.3 results*2 | FY24.3 results | FY25.3 forecasts | FY26.3 targets*3 | FY28.3 target levels |
|---|---|---|---|---|---|---|
| **Consolidated operating revenues** | **1,529.3** | **1,395.5** | **1,635.0** | **1,718.0** | **1,857.0** | **2,076.5** |
| Mobility Segment | 1,026.3 | 833.7 | 986.4 | 1,037.5 | 1,064.5 | — |
| Retail Segment | 241.3 | 165.9 | 197.0 | 201.5 | 208.0 | — |
| Real Estate Segment | 188.3 | 204.9 | 217.7 | 237.5 | 275.0 | — |
| Travel and Regional Solutions Business | 40.5 | 162.9 | 206.0 | 213.0 | 248.0 | — |
| Other | 32.7 | 27.9 | 27.8 | 28.5 | 61.5 | — |
| **Consolidated operating income** | **196.9** | **83.9** | **179.7** | **170.0** | **185.0** | **195.0** |
| Mobility Segment | 146.9 | 33.2 | 114.4 | 120.0 | 127.5 | — |
| Retail Segment | 5.9 | 5.4 | 13.0 | 12.0 | 13.5 | — |
| Real Estate Segment | 36.9 | 34.5 | 40.6 | 35.0 | 41.0 | — |
| Travel and Regional Solutions Business | 0.2 | 6.0 | 7.8 | 1.5 | 1.5 | — |
| Other | 7.4 | 4.5 | 4.2 | 3.0 | 3.0 | — |
| **Consolidated recurring profit** | **183.3** | **73.6** | **167.3** | **155.5** | **168.5** | — |
| **Consolidated profit attributable to owners of parent** | **102.7** | **88.5** | **98.7** | **100.0** | **112.5** | — |
| **Consolidated EBITDA** | **361.3** | **243.6** | **343.0** | **343.0** | **370.0** | **400.0** |

*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 Expo 2025.

# Operating Income by Segment

| (¥ Billions) | FY24.3 Results | FY25.3 Forecasts | FY26.3 Targets | Major factors for increase/decrease in operating income (YoY) | |
|---|---|---|---|---|---|
| | | | | FY25.3 | FY26.3 |
| **Mobility Segment** | **114.4** | **120.0** | **127.5** | ・Increase in Inbound tourism<br>・Increase in unit price due to service improvements<br>・Effect of extending the Hokuriku Shinkansen to Tsuruga | ・Increase in Inbound tourism<br>・Reduction in costs due to structural reforms |
| **Retail Segment** | **13.0** | **12.0** | **13.5** | ・Increase in costs due to human capital investment<br>・Increase in hotel renovation costs | ・Increase in store sales and business hotel revenues because of Expo 2025 |
| **Real Estate Segment** | **40.6** | **35.0** | **41.0** | ・City development project startup expenses<br>・Expenses for opening new hotels | ・Leveling off of project effects<br>・Increase in accommodation revenues |
| **Travel and Regional Solutions Business** | **7.8** | **1.5** | **1.5** | ・Loss of special demand for COVID-19 vaccinations<br>・Increase in expenses in advance of digital tourism | ・Increase in travel due to increase in Inbound tourism |
| **Other** | **4.2** | **3.0** | **3.0** | ・Increase in new domain related costs | ・Digital strategy-based synergy generation |
| **Consolidated operating income** | **179.7** | **170.0** | **185.0** | **(9.7)** | **+15.0** |

# Forecasts for Transportation Revenue




## Forecasts for Transportation Revenue

**Extension of Hokuriku Shinkansen to Tsuruga**

- Increase in Shinkansen revenue (including decrease in revenue from parallel conventional lines)
- Creation of demand through promotion of the new extension, etc.

**Growth from outcome of demand creation measures**

- Network expansion (faster service, increased frequency)
- Synergy effects from digital strategy
- Expansion of service content by customer segment
- Review of pricing, etc.

**Recovery in inbound demand and increase in revenue through measures**

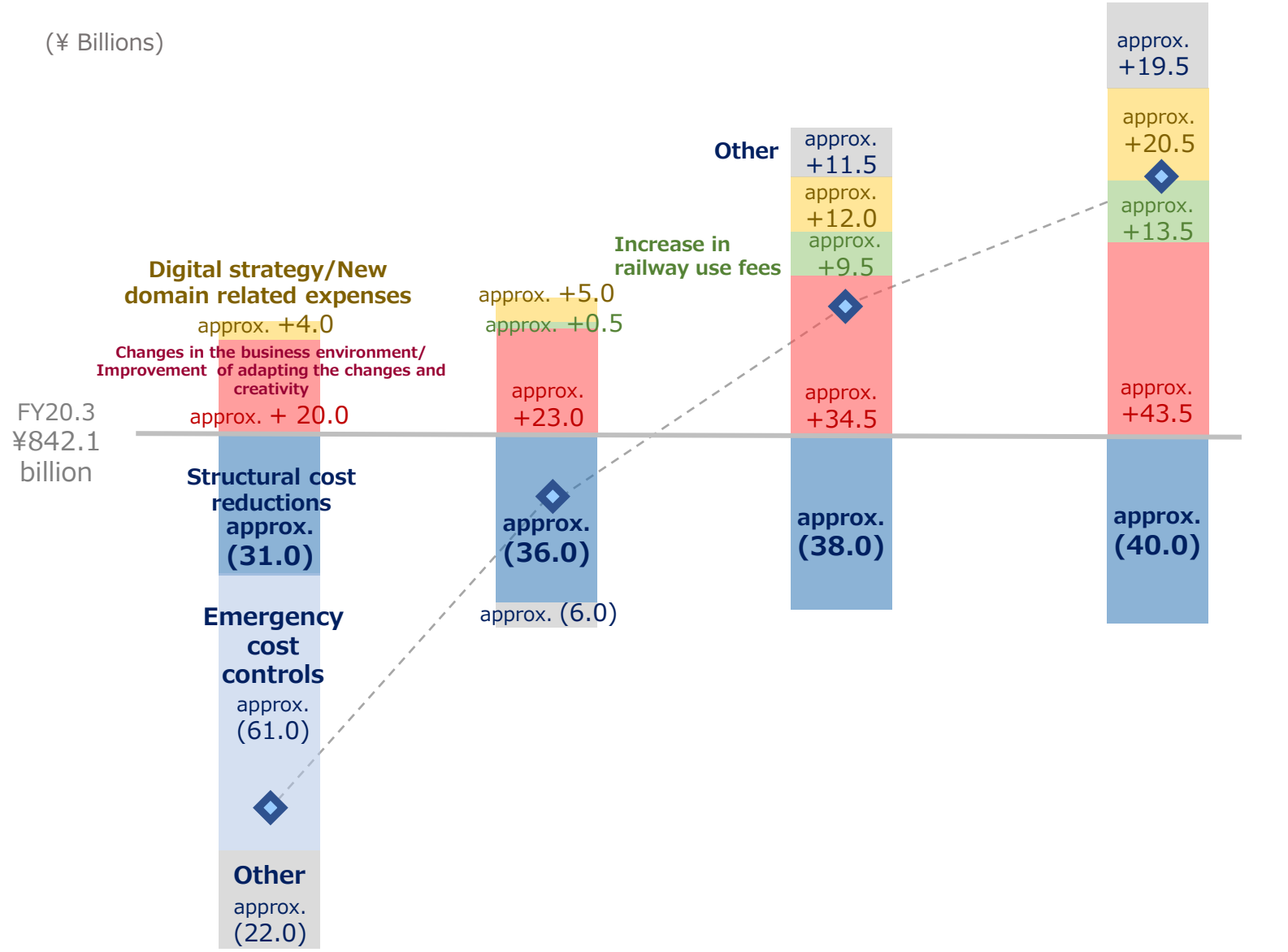
- Forecast transportation revenue
  FY25.3: Approx. ¥37.0 billion
  FY26.3: Approx. ¥44.0 billion

**Forecast for basic use**

(Shinkansen)
- FY24.3 4Q: 93%
- Maintain approx. 93% from FY25.3

(Kansai urban area)
- FY24.3 4Q: 96%
- Maintain approx. 95% from FY25.3

# Forecast for Non-Consolidated Operating Expenses




| Non-Consolidated Operating Expenses | FY23.3 results | FY24.3 results | FY25.3 forecasts | FY26.3 target |
|---|---|---|---|---|
| | **¥752.3** billion | **¥828.8** billion | **¥872.0** billion | **¥899.0** billion |

## Forecast for Non-Consolidated Operating Expenses

**Digital strategy/New domain related expenses**
- Point-related expenses
- System-related expenses
- Comprehensive infrastructure management business related, etc.

**Increase in railway use fees**
- Railway use fees and property taxes associated with the extension of the Hokuriku Shinkansen

**Changes in the business environment/Improvement of adapting the changes and creativity**
- Enhance human resource acquisition and training, increase in testing expenses and other costs that stimulate challenges, etc.
- Increase due to rising energy costs, etc.

**Structural cost reductions**
**Plan to achieve ¥50.0 billion in cost reductions by FY28.3**
- Transformation of customer services
- Transformation of railway operations
- Transformation of maintenance methods
- Organizational structure reforms

**Emergency cost controls**
- Emergency controls removed from FY24.3

# Medium-Term Management Plan 2025 Progress

Past initiatives | Future initiatives

FY24.3 | FY25.3 | FY26.3

## Mobility Service

### Railway revitalization

- Effect of extending the Hokuriku Shinkansen from Kanazawa to Tsuruga
- Completed the addition of W7 series Shinkansen trains to the Hokuriku Shinkansen
- Hokuriku destination campaign
- Completed the addition of two N700S series Shinkansen trainsets
- Expanded paid seat service
- EX services: Reservations one year in the future, prices changed for EX products, JRP, etc.
- Started demonstration tests for self-driving and convoy driving with BRT on public roads

### Railway fares/rates Local Lines

- (National) Train Fares Subcommittee presents vision
- (National) Review of cost calculation guidelines
- (National) Revisions to Regional Transportation Act
- Geibi Line: Request to establish rebuilding cooperation committee
- Geibi Line: Rebuilding cooperation committee meetings
- Johana Line and Himi Line: Approval of railway restructuring implementation plan

## Life Design

### Real estate and city development

- JP Tower Osaka: Advanced opening of pedestrian deck and offices
- Began managing a private-placement REIT
- JP Tower Osaka: Completed
- JR WEST LABO Opening of Umekita aboveground station (Umekita Green Place)
- New Hiroshima Station building: Opened
- JP Tower Osaka and Inogate Osaka: Opening
- Osaka Station Hotel: Opening

### Digital strategy

- Released ICOCA for Apple Pay
- Opening of WESTER Mall
- WESTER Wallet (tentative name) (to be introduced in FY2024)
- Released Kansai MaaS app
- Established TRAILBLAZER

### New Business

- Undertook wastewater-related operations for Yonago City
- Launched JCLaaS business
- Commercialized +PLACE
- Signed business consignment agreement for water utility business for Fukuchiyama City

# Improve safety of railways

**During the period of the JR-West Group Railway Safety Think-and-Act Plan 2027, we will improve safety, which is the foundation of the Group's business, and further invest in safety, including investing in new rolling stock based on the status of labor securement with the mindset of putting customers first and meeting their expectations.**

| Objectives over the 5 years through FY28.3 | | | Progress as of the end of FY24.3 |
|---|---|---|---|
| Train accidents that result in casualties among customers | | **Keep at zero** | **Zero accidents** |
| Train labor accidents that result in fatalities among employees | | **Keep at zero** | **Two accidents occurred** |
| **FY28.3 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%*1** | **Upgrade ratio 48%** |
| | ② Update platform gates or platform safety screens at stations with less than 100,000 riders | **Upgrade ratio 50%*1** | **Upgrade ratio 12%** |
| **〔Railway Crossing Safety〕** Upgrade equipment at railroad crossings that meet certain criteria*2 to audibly warn train drivers of large vehicles stuck in crossings | ① Railroad crossings upgraded with radio notification systems | **Upgrade ratio 90%** | **Upgrade ratio 60%** |
| | ② Trains equipped with visual recognition systems | **Upgrade ratio 60%*3** | **Upgrade ratio 4%** (technological verifications performed) |
| **〔Earthquake Countermeasures〕** Earthquake countermeasures for Sanyo Shinkansen | ① Measures to prevent collapse of structures (reinforce bridge footings) | **Upgrade ratio 100%** | **Upgrade ratio 90%** |
| | ② Measures to prevent significant sagging of railway lines (reinforce rigid-frame abutments) | | **Upgrade ratio 36%** |
| | ③ Measures to prevent major train deviation from tracks (upgrade derailment prevention guards on high-priority track sections*4) | | **Upgrade ratio 67%** |
| • **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" | | We have developed a system to lead to autonomous improvements in each organization, and have promoted specific initiatives, such as practical training for task force headquarters to establish a type of management that prioritizes on-site judgment. |

**Progressing as planned**

*1 Areas poised to expand upgrade ratio might change slightly based on outcomes of adjustments with relevant entities.
*2 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.
*3 Assumes technological verifications progress smoothly for early introduction by FY2025.3 *4 Priority evaluations based on probability of earthquake and projected seismic activity

# Business Strategy (Mobility Service): Revitalization and Structural Reform of Railways

| FY24.3 Initiatives | Future Initiatives | Target Level | |
|---|---|---|---|
| • Opening of Hokuriku Shinkansen Tsuruga extension<br>• Development of Group-wide measures<br>• Initiative to increase unit price<br>• Progress on structural reforms | • Creation of new value through group marketing<br>• Increase unit price and improve yield<br>• Inbound business strategy<br>• Promotion of structural reforms<br>• Building sustainable railways and transportation systems | Transportation revenue<br>Portion of transportation revenue from inbound revenue<br>Structural Reform (vs. FY20.3) | ¥905.0 billion (FY26.3)<br>¥44.0 billion (FY26.3)<br>(¥40.0) billion (FY26.3)<br>(¥50.0) billion (FY28.3) |

## Creation of demand

- Take advantage of the 50th anniversary of the opening of the entire Sanyo Shinkansen line as a way to attract customers
- Maximize the effect of the opening of the Hokuriku Shinkansen Tsuruga extension
  - Hold Hokuriku Destination Campaign and building of a excursion route for new sightseeing train "Hana Akari"
- Response to seating needs and leveling usage
  - All reserved seats operations on Nozomi trains during peak season to meet seating needs and improve convenience
- Maximize synergies from the Osaka Station (Umekita area) 2nd phase district opening
- Further advance Inbound business strategy
  - Limited express "Haruka" QR code support

## Increase unit price and improve yield

- Review of pricing
  - Increase yield by shifting from discount measures to point measures
  - Set the number of discounted seats and extra trains based on the status of reservations made one year in advance for EX service
- Expansion of seat service
  - Expand routes in response to seating needs. Operation of the “Rakuraku Series” commuter limited express trains in addition to the A-seats in special rapid service and the Ure-Seats in rapid service trains.

# Business Strategy (Mobility Service): Railway Fares/Charges

- **We examine the possibility of fare revision based on the future outlook of railway business under the new revenue costing procedure while proceeding with the revision within the scope of notification**

## Continue to revise fares within limits of notification system

Revise transportation fares within limits of notification system while monitoring competitive landscape

(April 2023～)

- Fare revisions for special railway sections in Kyoto-Osaka-Kobe area
- Fare revisions for reserved seats on Nozomi and Mizuho express trains
- Revisions to conventional line express fares and discounts for train connections
- Introduction of train station barrier-free fare system, etc.

(October 2023～)

- EX product price revisions
- e-ticket price revisions
- Japan Rail Pass price revisions, etc.

Achieved increase in revenue of approximately ¥20.0 billion by revisions after the pandemic

In FY24.3, revenue increase of +¥14.0 billion YoY

## Examine the possibility of revising fares by approval based on the new revenue cost calculation guidelines.

| Ministry of Land, Infrastructure, Transport and Tourism (MLIT): Partial revision of cost of revenue calculation guidelines: Main Revisions | |
|---|---|
| Promote capital investment that contributes to sustainable rail transport services | • Allow total costs to include depreciation expenses within a certain time period in excess of the cost calculation period (three years)<br>• 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 |
| Securing human resources | • The figures reflect not only the rate of increase in personnel expenses by railway operators, but also the rate of increase based on the Basic Statistical Survey on Wage Structure |
| Disaster recovery | • The repair costs of railroad facilities, which have been increasing due to the severity and frequency of disasters, are also taken into consideration when recording extraordinary losses as part of the overall cost |
| Other | • Revised the cost of revenue calculation method, including the yardstick method |

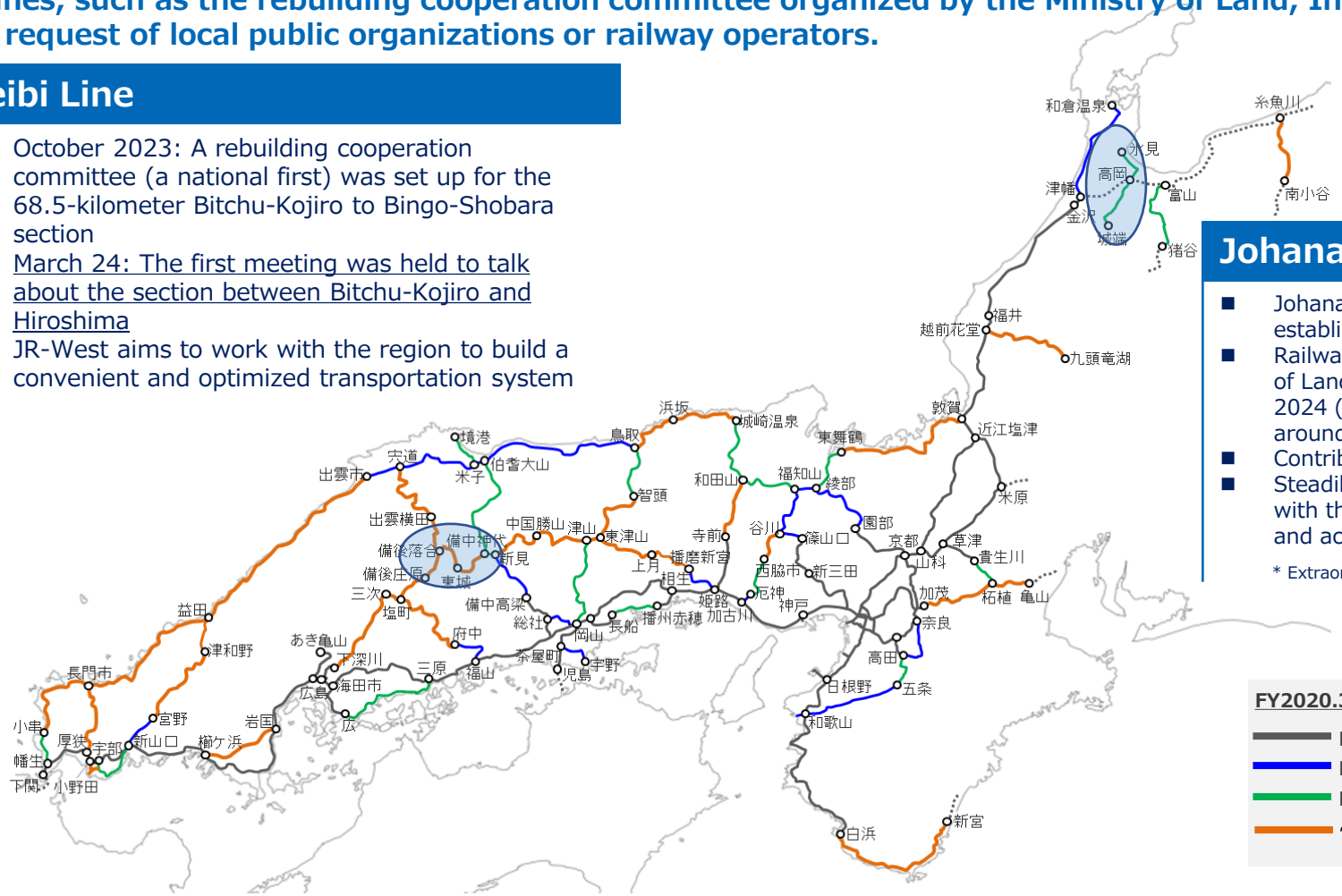
Even in light of the new revenue cost calculation guidelines, there is no room for fare rate revision for the time being due to the recent increase in transportation revenue due to the increase in travel demand and strong inbound tourism.
We will continue to encourage the government to make the system even more flexible so that it can respond to inflation and other conditions.

# Business Strategy (Mobility Service): Local Lines

- **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

- October 2023: A rebuilding cooperation committee (a national first) was set up for the 68.5-kilometer Bitchu-Kojiro to Bingo-Shobara section
- March 24: The first meeting was held to talk about the section between Bitchu-Kojiro and Hiroshima
- 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
- Railway restructuring implementation plan certified by Minister of Land, Infrastructure, Transport and Tourism in February 2024 (change operating body to Ainokaze Toyama Railway by around five years)
- Contribute ¥15.0 billion* toward the restructuring
- Steadily promote items stipulated in the plan in cooperation with the local community to improve convenience and comfort and achieve sustainable rail line

* Extraordinary loss recorded in FY24.3

**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**

# Business Strategy (Life Design): Real Estate and City Development

| FY24.3 Initiatives | Future Initiatives | Target Level |
|---|---|---|
| • Promotion of projects in Osaka<br>JP Tower Osaka: Advanced opening of offices and theater<br>Inogate Osaka: Under construction<br>• Hiroshima Station building: Under construction<br>• Establishment of private-placement REIT | • Openings of projects in Osaka (from summer of 2024)<br>• Expansion of privately-placement REIT assets<br>• Construction of the Hiroshima Station Building will be completed in preparation for opening in the spring of 2025 | Osaka<br>Total investment: ¥100.0 billion<br>Expected EBITDA: ¥9.0 billion (FY28.3)<br>Hiroshima<br>Total investment: ¥60.0 billion<br>Expected EBITDA: ¥5.0 billion (FY28.3) |

## Major station development

### Osaka

**Inogate Osaka**

We developed a station building that boasts overwhelming convenience which is directly connected to the new ticket gate area.

**JP Tower Osaka**

By setting up one of the largest offices in western Japan, accompanied by retail facilities, a theater, and our Group's symbolic hotel, we aim to enhance the experiential value of the city center.

### Hiroshima

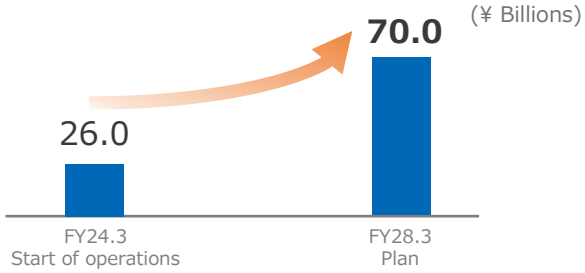
In conjunction with the creation of a vibrant environment with new station buildings, enhance the charm of towns through a more convenient transportation network, such as streetcar access to JR station ticket gates.

## Strengthen Management Fields and Improve Asset Efficiency

### JR West Private REIT, Inc. starts operations

As we have been engaged in the formulation and management of real estate private funds, we plan to further expand the fund and private REIT businesses as starting private REIT management will enable businesses that better match the asset characteristics and expectations of investors.

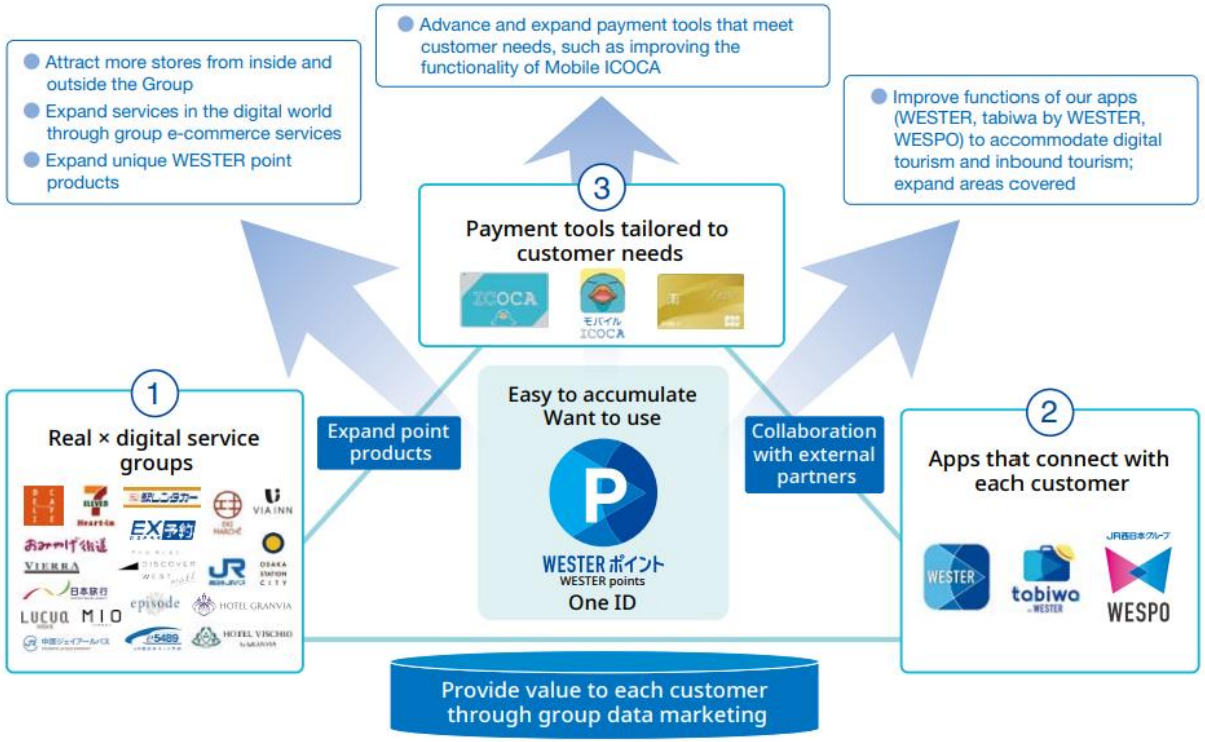
JWPR
JR西日本プライベートリート投資法人
JR WEST PRIVATE REIT, INC.



# Business Strategy (Life Design): Digital Strategy

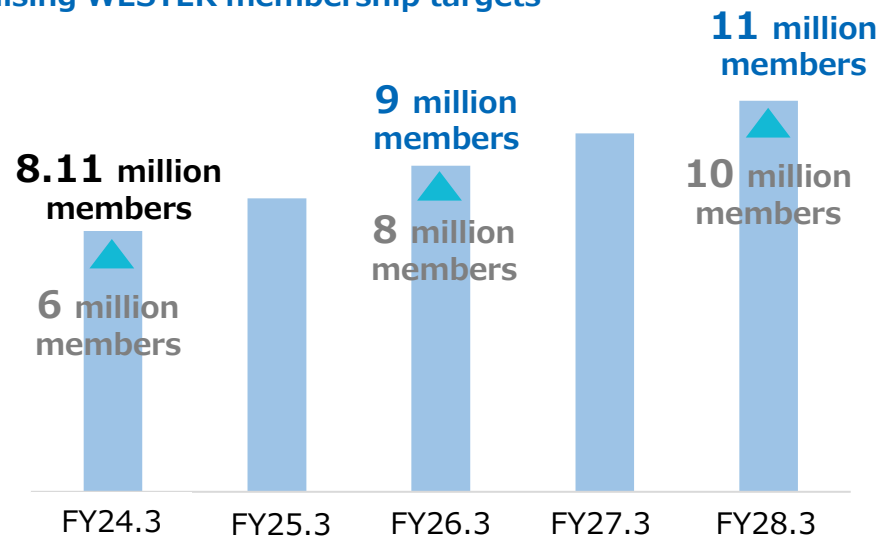
| FY24.3 Initiatives | Future Initiatives | Target Level |
|---|---|---|
| • WESTER ID integration<br>• Expanded Mobile ICOCA functionality (Apple Pay)<br>• Increase number of WESTER members<br>8.11 million members as of the end of March 2024<br>(+ 2.29 million members in the period of a year) | • Enhance app to increased active users<br>• Shift to 1 to 1 service<br>• Launch of WESTER Wallet service<br>• WESTER Mall development | Number of members: ¥9 million (FY26.3), ¥11 million (FY28.3)<br>Capital investment: ¥50.0 billion (FY26.3), ¥130.0 billion (FY28.3)<br>Operating income: ¥2.0 billion (FY26.3), ¥11.0 billion (FY28.3)<br>* Capital investment and Operating income in line with both digital strategy and new business creation<br>* Includes profits of Group companies |

## Maximize Group synergies through WESTER-based experiences




We will maximize group synergies by connecting customers with ① real store and digital space services, ② apps that serve as contact points, and ③ payment services with WESTER memberships/points at the core.

### Raising WESTER membership targets




(figures are for the end of each period)

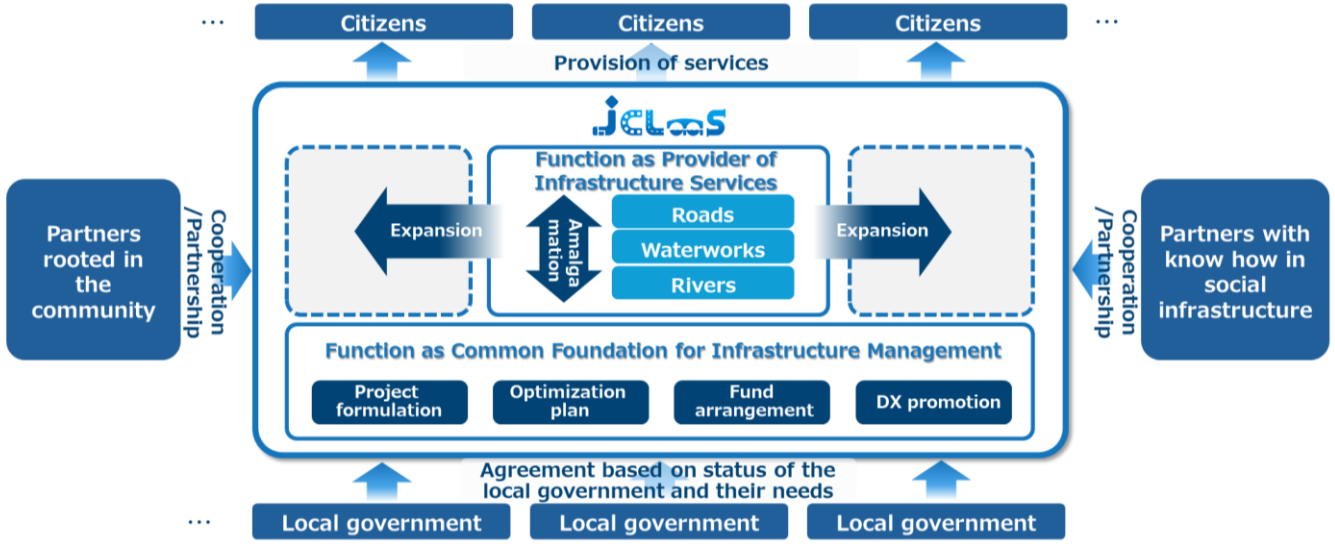
# Business Strategy (Life Design): New Business Creation

| FY24.3 Initiatives | Future Initiatives | Target Level |
|---|---|---|
| • Launch of JCLaaS (Comprehensive Infrastructure Management) Business<br>• Commercialization of Co-working Space Reservation Platform "+PLACE"<br>• (Metaverse) demonstration experiment "Virtual Osaka Station"<br>• External monetization of data solutions | • Scale projects in each business<br>• Build alliances for business promotion | JCLaaS: Launch 100 or more projects (by 2030)<br><br>Capital investment:<br>¥50.0 billion (FY26.3), ¥130.0 billion (FY28.3)<br>Operating income:<br>¥2.0 billion (FY26.3), ¥11.0 billion (FY28.3)<br><br>* Capital investment and Operating income in line with both digital strategy and new business creation<br>* Includes profits of Group companies |

## JCLaaS Comprehensive Infrastructure Management Business

- We will work on rebuilding infrastructure that supports prosperous lifestyles and economic growth for future generations to create a society which the government, corporations, and citizens cooperate in shaping the future
- Comprehensively assume the functions of optimizing social infrastructure and offer services that meet the situation and needs of the local governments, etc.
- The domestic market size is between ¥9 trillion*1 and ¥12.9 trillion*2 on an annual basis.

*1 Ministry of Land, Infrastructure, Transport and Tourism (MLIT): Estimation of Future Maintenance/Renewal Cost of Social Capital in the Fields Under the Control of the MLIT
*2 <Policy Research Institute, Ministry of Finance "Financial Review", Vol. 1, 2022 (No. 147), March 2022>
"Considerations on Infrastructure Aging and Renewal Investment Financing"



# Additional initiatives associated with the update of the Medium-term Management Plan 2025

## Accelerating the realization of our Our Purpose and Long-Term Vision 2032 by adding new initiatives to address clearly perceived management issues

### Improvement of safety and continuous advancement of railway business

- **Enhancing safety and comfort by accelerating vehicle updates**
- **Expansion of seat service** (adding A-seat)
- **Enhancing transportation quality and productivity by improving both hardware and software**

Replacement of rolling stock

A-SEAT

Expansion of seat service

### Value creation as a group

- **Expanding real estate business** (increasing real estate assets with more value added)
- **Renewal of terminal stations, which are the core of the city**

City development expanding from stations

Increasing housing business

Renewal of shops in terminal stations

### Improvement of adapting to changes and creativity

- **Environment/System that enhances diversity and motivation, and support individual growth**
- **Cultivating human resources dedicated to enhancing services and quality through diligent self-improvement**
- **Initiatives to enhance digital literacy and expand opportunities for creating innovation**

D&I AWARD BEST WORKPLACE for diversity & inclusion 2023

JRW Innovation platform
JR西日本グループの技術情報発信サイト

TRAILBLAZER

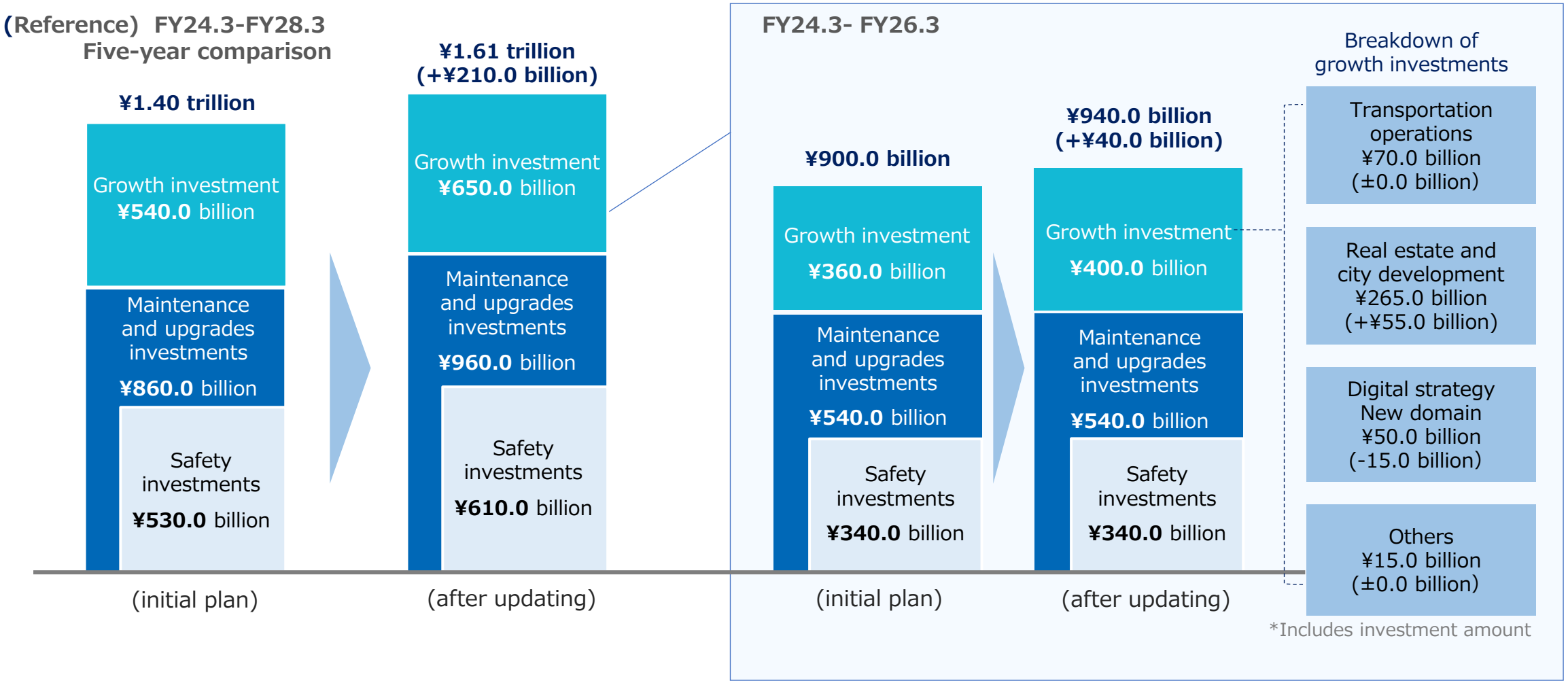
# Financial Strategy: Capital Allocation

- **After allocating human capital, which is the source of value creation, and strengthening our ability to respond to changes and creativity, we plan to allocate additional resources based on the priority of the use of funds and management issues as follows**
- **Plan for additional ¥210.0 billion in capital investment by FY28.3 as well as implement share buybacks (expecting approx. ¥100.0 billion by FY27.3) depending on the progress of the Medium-Term Management Plan**

| Fundraising | Uses of cash | | Ideas behind Additional Resource Allocation |
|---|---|---|---|
| Operating cash flow<br>Bonds/ loans payable, other | Safety investments | 【Priority ranking 1】<br>• Steadily invest in safety, an unwavering priority in our strategy | • Increase our competitiveness by allocating additional funds based on the status of improving safety and securing a workforce, which is the foundation of the Group's business<br>Maintenance and upgrades investments, mainly Safety investments<br>Approx. ¥100.0 billion |
| | Growth investment | 【Priority ranking 2-1】<br>• Aim to optimize the business portfolio by concentrating resource investments in growth fields to expand operations in life design field and invigorate mobility service field | • Implement growth measures that contribute to the expansion of corporate value<br>• Focus additional resources on measures related to optimizing the business portfolio by expanding the life design field<br>Approx. ¥110.0 billion |
| | Shareholder returns | 【Priority ranking 2-2】<br>• Dividend payout ratio at least 35%, steady dividend payments<br>• Net interest-bearing debt / EBITDA multiple: Under 5x (FY26.3)<br>• Aim to constantly improve corporate value and implement capital policy as opportunities arise | • Implement share buybacks to reduce the cost of capital and recover EPS<br>• FY28.3 target level: Keep Net interest-bearing debt / EBITDA at 4x as a guideline to control debt<br>Approx. ¥100.0 billion (expected) |

# Financial Strategy: Capital Investment Plan

**Resources have been allocated to measures aimed at improving safety and continuous advancement of railway, creating value as a group, and enhancing adaptability to changes and creativity, which form the foundation for these efforts**

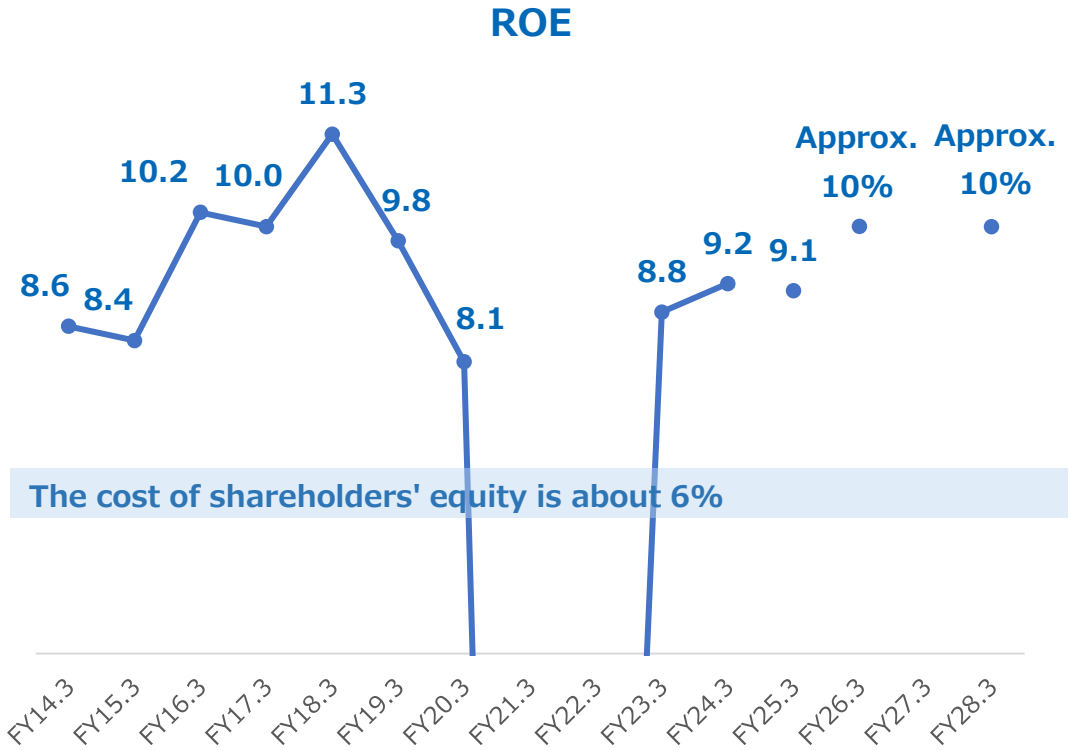


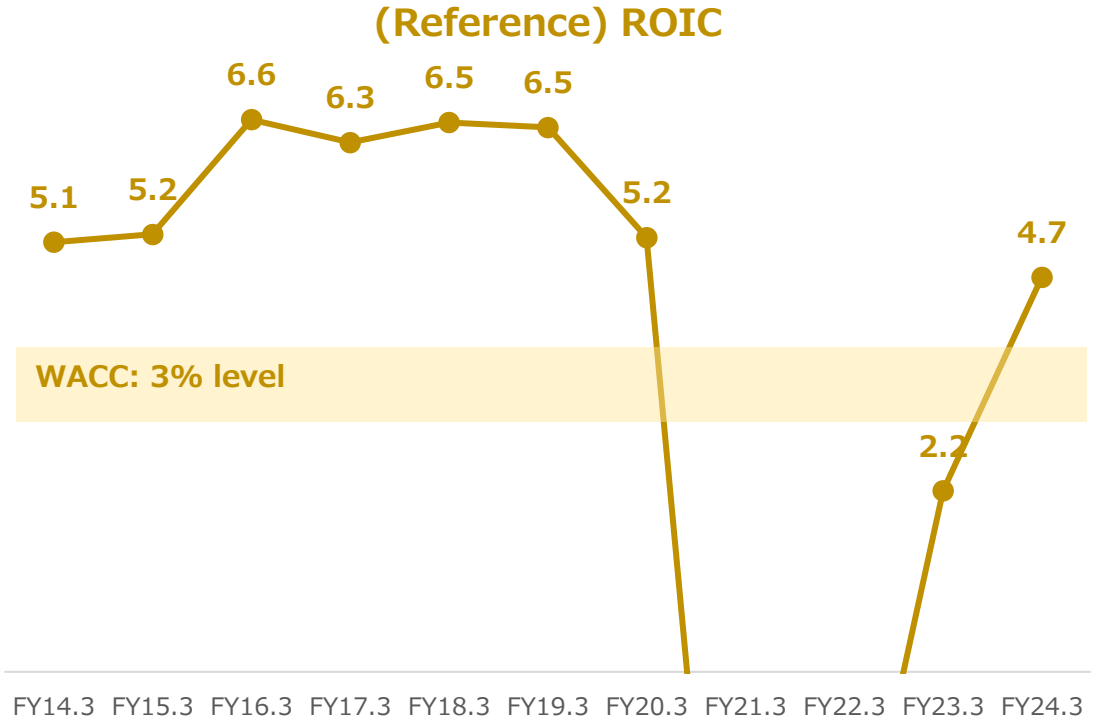

Figures in "( )" are changes compared to the initial plan

# Financial strategy: Conduct Management with an Awareness of Cost of Capital and Stock Price

## Analysis of the Current Situation and Future Issues

- **ROE for FY24.3 is on a recovery trend to pre-pandemic levels although the impact of the decline in earnings due to the COVID-19 pandemic remains to a certain extent.**
- **In order to further improve ROE, we aim to achieve an ROE of around 10% in FY26.3, the final year of the Medium-Term Management Plan, through Inbound revenue acquisition measures, cost structure reforms, synergy effects from DX, and other measures, as well as share buybacks to reduce the cost of capital.**




Cost of equity is calculated from CAPM and price/earnings ratio
Risk-free rate: Approx. 1%; Market risk premium: Approx. 6%; Beta 0.8-0.9
PER is calculated based on our own forecasts and analyst reports

Interest-bearing debt: ¥1.5634 trillion (as of March 31, 2024)
Market capitalization: Approx. ¥1.5 trillion
Debt financing cost: 1.2% (pre-tax)

# Financial Strategy: Shareholder Returns

**Financial discipline**

- **Net interest-bearing debt/EBITDA Approx. 4x (FY26.3) Under 4x (FY28.3)**

**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**

## FY24.3

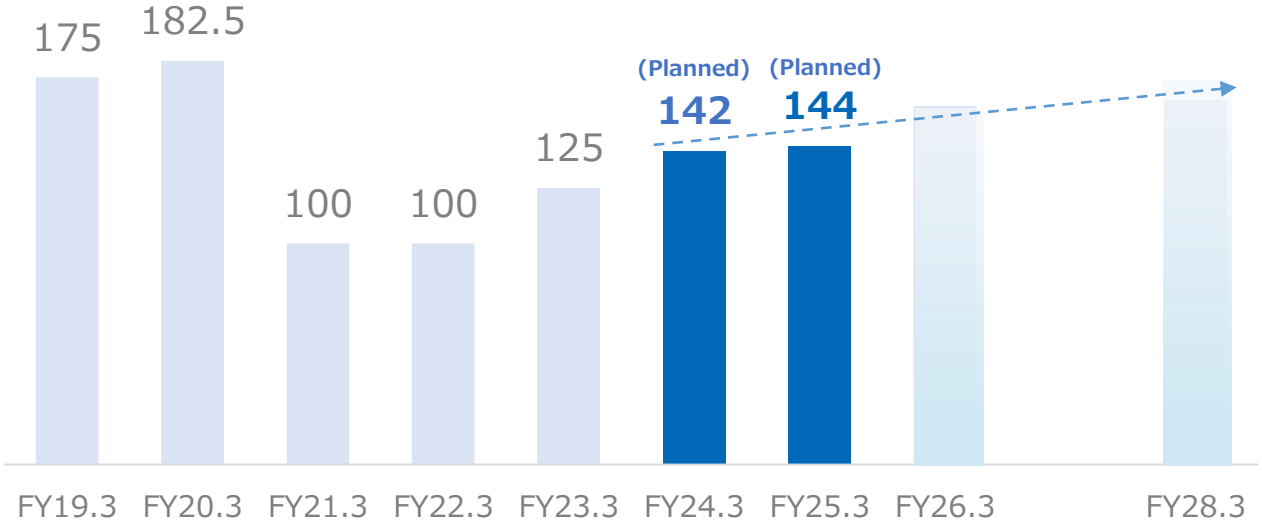
Based on its minimum 35% dividend payout ratio policy, JR-West plans to increase its annual dividend by ¥22 per share (compared to previous forecasts), resulting in an annual total dividend of ¥142 per share.
**(¥57.5 per share for the interim dividend, ¥84.5 per share for the year-end dividend)**

## FY25.3

- Annual dividend of ¥72 per share (planned)
  *Amount of dividends per share before stock split in 2: ¥144
- To improve EPS and reduce the cost of capital, **we will implement a share buyback program with a maximum limit of ¥50.0 billion yen.**

Dividends per Share (¥)

2-for-1 split of common shares on April 1, 2024. Indicated amount of dividend per share does not consider the stock split



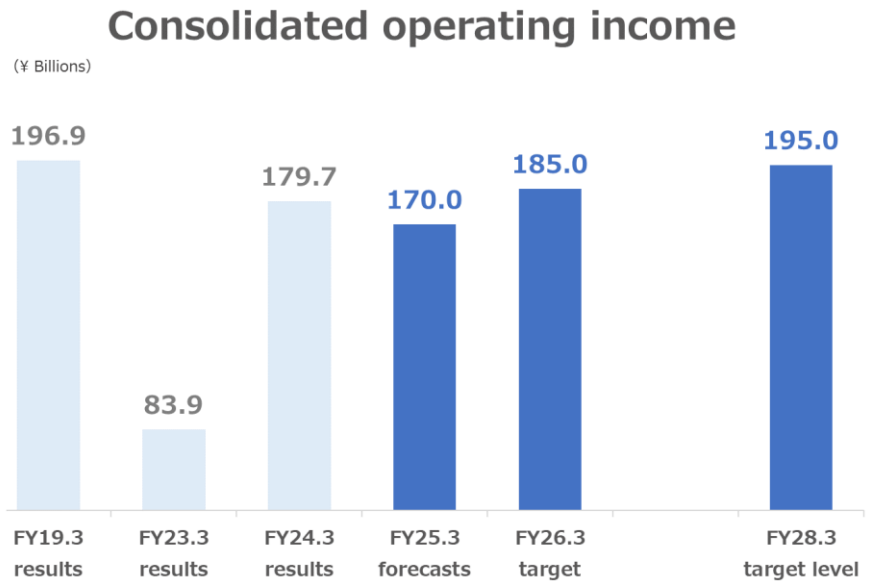

| | | | | | | | | (¥ Billions) |
|---|---|---|---|---|---|---|---|---|
| Total Amount Paid for Dividends | 33.6 | 34.9 | 19.1 | 24.4 | 30.4 | 34.5 | Approx. 35.0 | |
| Share buybacks | 9.9 | 9.9 | - | - | - | - | Approx. 50.0 | |

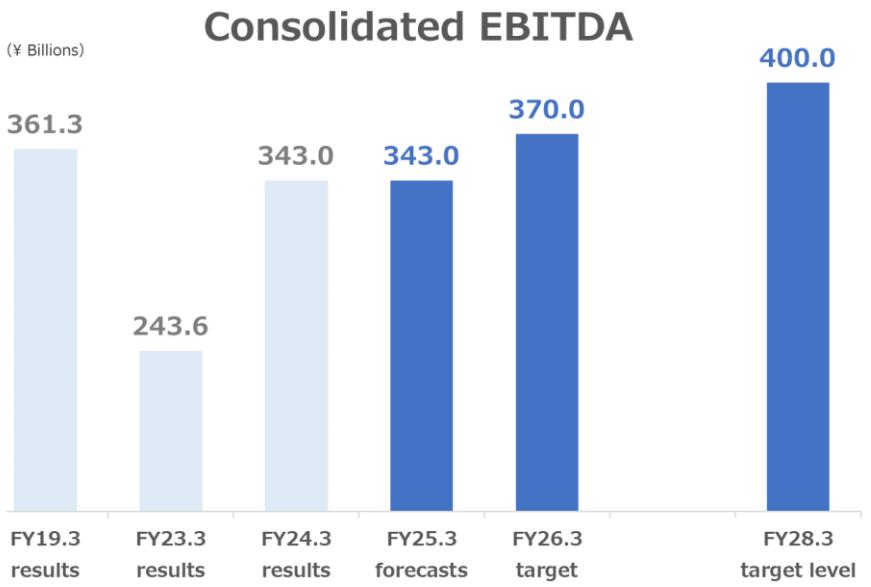
# Financial Strategy: Updating of Financial KPIs

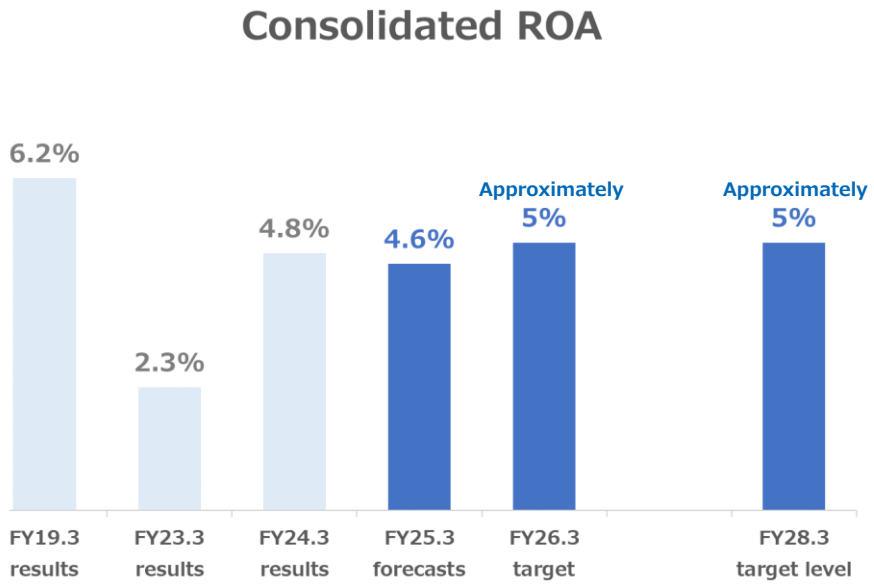
| | | FY24.3 Results | FY25.3 Earnings forecast | FY26.3 Medium-Term Management Plan Financial Target*1,2 | FY28.3 Target Level (Reference)*2 |
|---|---|---|---|---|---|
| Ability to generate profits | Consolidated operating income | ¥179.7 billion | ¥170.0 billion | (¥150.0 billion) **¥185.0 billion** | (¥185.0 billion) **¥195.0 billion** |
| | EBITDA | ¥343.0 billion | ¥343.0 billion | (¥340.0 billion) **¥370.0 billion** | (¥380.0 billion) **¥400.0 billion** |
| | (Reference) Transportation Revenue | ¥840.5 billion | ¥887.0 billion | (¥860.0 billion) ¥905.0 billion | (¥870.0 billion) ¥915.0 billion |
| Management efficiency | Consolidated ROA | 4.8% | 4.6% | (Approx. 4%) **(Approx. 5%)** | (Approx. 5%) **(Approx. 5%)** |
| | Consolidated ROE | 9.2% | 9.1% | (Approx. 8%) **Approx. 10%** | (Approx. 9%) **Approx. 10%** |
| Financial Discipline | Net interest-bearing debt/ EBITDA | 3.9× | 4.2x | (Under 5x) **Approx. 4x** | (Under 4x) **Under 4x** |
| Business Composition | Life Design Field Operating Income Ratio | 25% | 22% | (Approx. 25%) **Approx. 25%** | (Approx.35%) **Approx. 35%** |

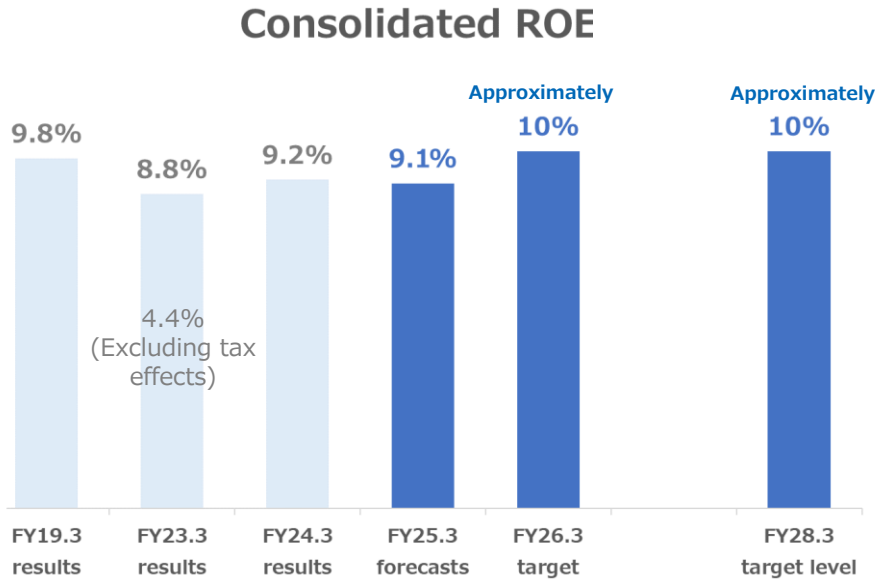
*1 This plan excludes the increase in transportation revenues related to EXPO2025
*2 The figures in parentheses are the figures in the Medium-Term Management Plan 2025 before being updated

# Financial Strategy: Updating of Financial KPIs




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

# ESG: Sustainability Initiatives

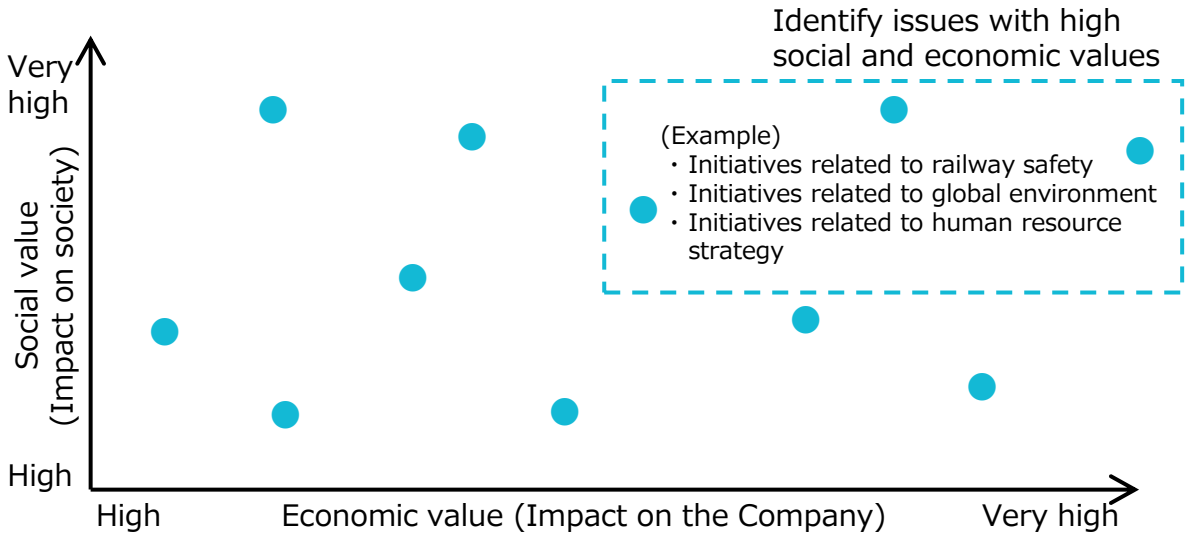
## JR-West Group's approach to sustainability

The JR-West Group develops various businesses such as wide-area infrastructure services, prioritizing safety above all, and has contacts with many customers and connections with communities. Based on Our Purpose, from the perspective of sustainability, which is important for sustainable social development and sustained corporate growth, we will face social challenges, evolve our connections, create social and economic value through our business, and contribute to the achievement of the SDGs.

## Identifying sustainability priority areas (materialities)

In identifying the materialities, we studied social issues, created a candidate list, and evaluated them on two axes: social value and economic value, extracting issues with high social and economic value.
In addition, we set the materialities in conjunction with the issues of the “global environment” and “human resource development as a source of value creation” to support the realization of the four priority issues (= Long-Term Vision), in anticipation of the emergence of various social issues in the next 10 years.

## Prioritizing materialities




## Six materialities

**Long-Term Vision**

1. Safe, worry-free transportation that is kind to people and the planet
2. Vibrant communities where people move about freely
3. Convenient and abundant lifestyles for all people
4. Sustainable society

**Efforts to support the Long-Term Vision**

5. Global Environment
6. Human resource development as a source of value creation

# ESG: 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

**Prevent global warming and address climate change**

- ✓ Promote the introduction of energy-saving vehicles
- ✓ Utilize renewable energy
- ✓ Promote modal shift in passenger transportation

**Contribute to creation of a circular society**

- ✓ Recycle waste, such as railway materials
- ✓ Move away from plastic use
- ✓ Advance horizontal recycling of PET bottles

**Coexist with nature**

- ✓ Replace materials, such as paint, with low environmental impact versions
- ✓ Construction work that considers ecosystems of rivers and native species
- ✓ Reduce water usage

Instill eco-consciousness in every Group employee, steady hand in environmental management, as the foundation for efforts

**Environment-related Investment Plan** FY24.3 to FY26.3: Approx. ¥85.0 billion FY24.3 to FY28.3: Approx. ¥185.0 billion (+75.0 billion)

* Eligible green projects are shown in JR-West's sustainability bond framework
* Figures in "( )" are changes compared to the initial plan

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

$CO_2$ emissions for entire JR-West Group
* Scope 1+2 (consolidated)

- **2025**: compared with FY14.3 35% reduction
- **2030**: compared with FY14.3 50% reduction
  Upward revision from previous 46% reduction target
- **2050**: Achieve carbon neutrality

## Key Initiatives

### Strengthen PR about environmental advantages of railways

- In unison with the railway sector, strengthen public relations about environmental advantages of railways by working to promote social understanding

Switch! SUSTAINABLE TRAIN

### Promotion of energy savings

- Replacing our trains with energy-efficient models in order to reduce electric power consumption for train operations, which accounts for the majority of energy use. Furthermore, JR West promotes energy conservation by introducing the N700S Shinkansen train and more energy-efficient trains for conventional lines.

### Carbon offset program trial

- Visualization of $CO_2$ emissions for business trips on railways by companies that signed up for corporate business trip online reservation services
- Framework for offsetting emissions by purchasing carbon credit and handing over invalidation notices
- Through the purchase of J-Credits, contribute to sustainable regional development by connecting business activities along the railway line and forest and agricultural environmental conservation activities in the area along railway lines

### Shinkansen and conventional lines to use electricity generated from renewable energy

- Install solar power generation facilities for JR-West's sole use along with Kansai Electric Power, Chugoku Electric Power, and Hokuriku Electric Power, entering into off-site PPA for receiving electricity generated from renewable energy sources
- Target about 10% electricity from renewable energy for power used to operate Shinkansen by end of FY28.3
- 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)
- Expand this to the JR Kyoto Line, JR Kobe Line, and JR Takarazuka Line and other lines., and replace more than 10% of the electricity used for operation of all conventional lines with renewable energy

### Demonstration test for using next-generation biodiesel fuel

- Began trial runs in July 2023 of prototype train that uses 100% next-generation biodiesel fuel
- 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.

# ESG: Human Resource Development as a Source of Value Creation

- **People are our greatest resource for creating various kinds of value. Aim to increase corporate value by allocating more to human capital and strengthening our ability to respond to and initiate change, and by drawing out the full potential of our human resources**

## Aiming for a diverse human resource portfolio

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

- 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

## Key Initiatives

### Training of digital talent

- Training for advanced digital talent to lead digital strategies, key people to drive DX, Groupwide initiatives targeting all employees affected by DX

### Targets for FY26.3

| | |
|---|---|
| Advanced digital talent | About 400 people<br>Digital Solutions Headquarters and TRAILBLAZER |
| Key persons for advancing DX | About 4,000 people<br>Information security, work design, etc. |
| All employees | About 45,000 people (Includes Group companies)<br>DX literacy training, educational material provision |

### Launch of “come back” hiring

- 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
- Learn from employees’ perspectives and values gained from working at other companies, childrearing and caregiving

### New systems for taking leave and moving with spouses to new work locations

- 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

### Support the growth of human resources involved in the maintenance of railway facilities, equipment, and rolling stock, as well as those who respond to diversifying needs

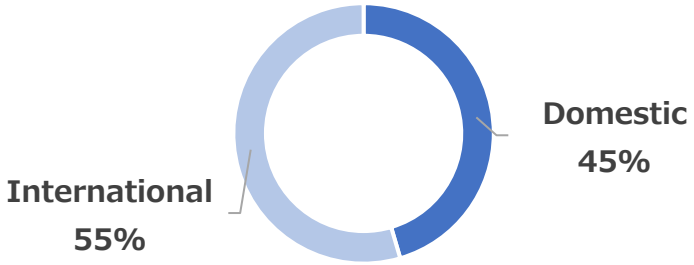
- Improvement of allowances for railway facilities, equipment and maintenance workers
- Establishment of an allowance for holding advanced qualifications, etc.

# Status of Dialogs with Investors and Shareholders ①

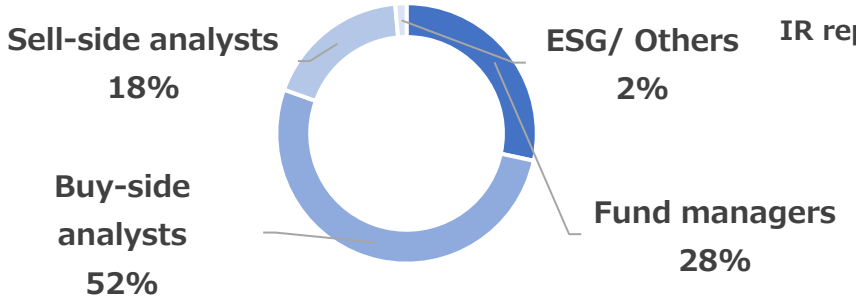
Target period: April 1, 2023 to March 31, 2024

## Overview of Dialogues held with investors and shareholders (approx. 220 times)

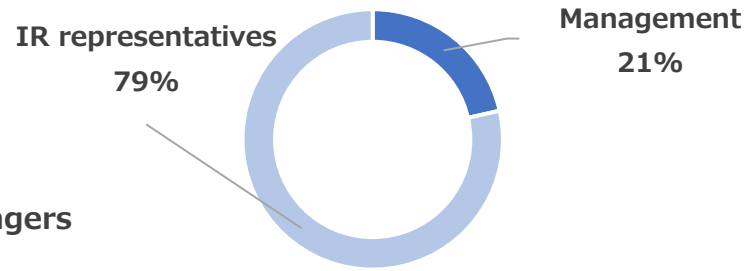
### Domestic/International




### Fields of Guests




### JR Correspondents




## Major IR events and correspondents

| Period | IR event | Description | Main correspondent |
|---|---|---|---|
| May | Financial Results Presentation (financial results for FY23.3) | Announcement of FY23.3 business results, Medium-Term Management Plan, and Long-Term Vision | President and Representative Director |
| August and January | Financial Results Presentation (financial results for 1Q and 3Q of FY24.3) | FY24.3 1Q and 3Q results | IR representative (General Manager, Corporate Strategy Division) |
| November | Financial Results Presentation (financial results for 2Q of FY24.3) | FY24.3 2Q results | Vice President and Representative Director |
| May | Small Meeting | Strategic dialog between analysts, institutional investors, and the President | President and Representative Director |

## Status of feedback to management

| Description | Frequency | Feedback received by | Reporting method |
|---|---|---|---|
| Summary of the dialog | 2Q/full-year financial results | Board of Directors | Submitted to Board of Directors |
| Summary of analyst reports | Quarterly | President and Representative Director, CFO, etc. | In person or by e-mail, etc. |
| Suggestions made during the dialog | Each time a dialog is held | CFO, related departments, etc. | In person or by e-mail, etc. |

# Status of Dialogs with Investors and Shareholders ②

Target period: April 1, 2023 to March 31, 2024

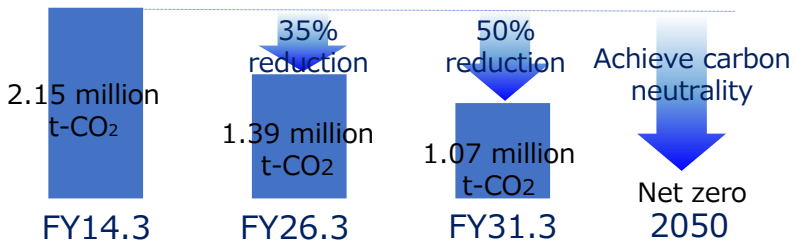
## Main Dialog Themes

| Theme | | Company initiatives |
|---|---|---|
| Growth strategy to enhance corporate value | • Construction of an optimal business portfolio by revitalizing the railway business and expanding the life design field (level of recovery in railway use, real estate/city development strategy, and digital strategy to generate synergies, etc.)<br>• Outlook for long-Term and Sustainable Growth under inflation (revision of fares and charges, yield policy, structural reform, sustainable transportation systems, etc.) | Descriptions and explanations provided so that understanding can be deepened through the JR-West Group Integrated Report, financial results presentations, individual meetings, etc.<br>(Examples)<br>• Improvement of disclosure materials (Disclosure of progress on railway fares and local lines, improvement of disclosure methods for management indicators for the hotel business, which is divided into retail and real estate segments<br>Note: “Real Estate Segment: Related Indicators” on page 8 of this document)<br>• Integrated Report (summarizes our approach to realizing Our Purpose and Long-Term Vision 2032, as well as an outline of the Medium-Term Management Plan 2025, the first step of these efforts.<br>Note: Awarded the Second Grand Prize, 3rd Nikkei Integrated Report Award)<br>• Opportunities for dialog with management (deliberately set up management-level speakers at individual meetings)<br>Plans for IR events will be considered with the aim of further enhancing dialog and disclosure. |
| Financial strategy in management with an awareness of cost of capital and stock price | • Regarding the use of proceeds in response to higher-than-expected cash flow increase (confirmation of the intention to implement shareholder return measures to restore the diluted EPS level due to the public offering, etc.) | We have incorporated our approach to financial strategy into explanatory materials so that readers can gain a deeper understanding.<br>(Example)<br>• Improvement of disclosure materials (EPS recovery is described in the materials<br>Note: “Financial Strategy/Shareholder Returns” on page 10 of the Financial Results Presentation (financial results for 2Q of FY24.3) and "Financial Strategy" on page 26 to 29 of this Financial Results Presentation document (financial results for of FY24.3)) |
| ESG initiatives that form the foundation for value creation | • Approach to establishing materialities<br>• Progress of each initiative | Descriptions and explanations provided so that understanding can be deepened through the JR-West Group Integrated Report, individual meetings focused on ESG, etc.<br>(Example)<br>• The Integrated Report systematically describes initiatives that form the foundation for value creation centered on ESG (on page 49 and thereafter of the JR-West Group Integrated Report 2023 and "ESG: Sustainability Initiatives" on page 32 of this Financial Results Presentation document (financial results for of FY24.3)) |

| | |
|---|---|
| Overview of FY2025.3, 1Q Financial Results | P. 2 |
| FY2025.3, 1Q Results and Earnings Forecasts (Details) | P. 15 |
| Updating of the Medium-Term Management Plan 2025 (reprint) | P. 24 |
| Appendix | P. 51 |

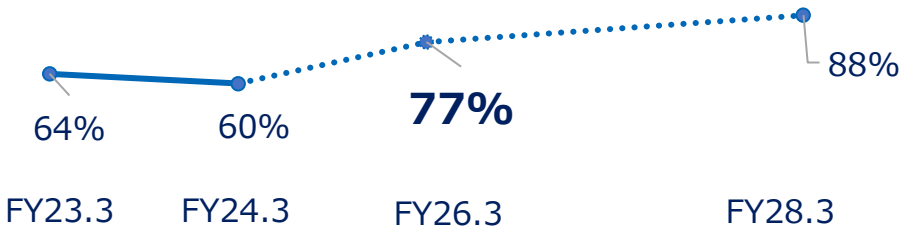
# Non-financial targets (key non-financial KPIs, excluding safety targets)

## $CO_2$ emissions
(Group consolidated total, compared with FY14.3)

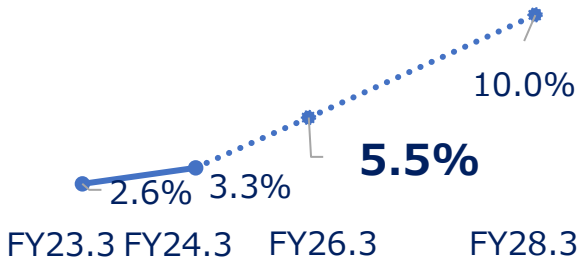



Note: $CO_2$ emissions in FY24.3 are currently being calculated

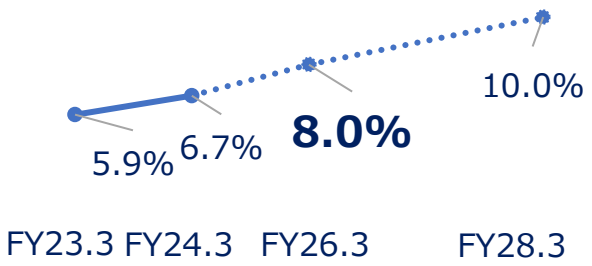
## Motivated workplace ratio*
Percentage of responses stating "low stress and high work engagement workplace to all workplaces" in employee awareness survey



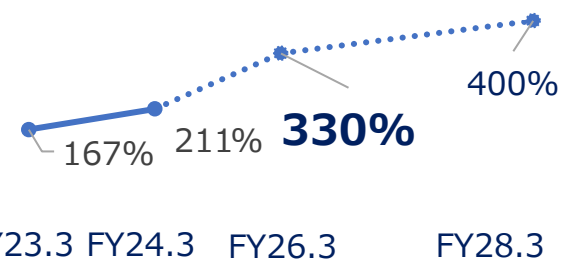

## Ratio of women in management positions*




## Ratio of women in leadership positions*




## Preparation ratio of personnel to be next-generation officers*
Preparation ratio of candidates able to take on key posts

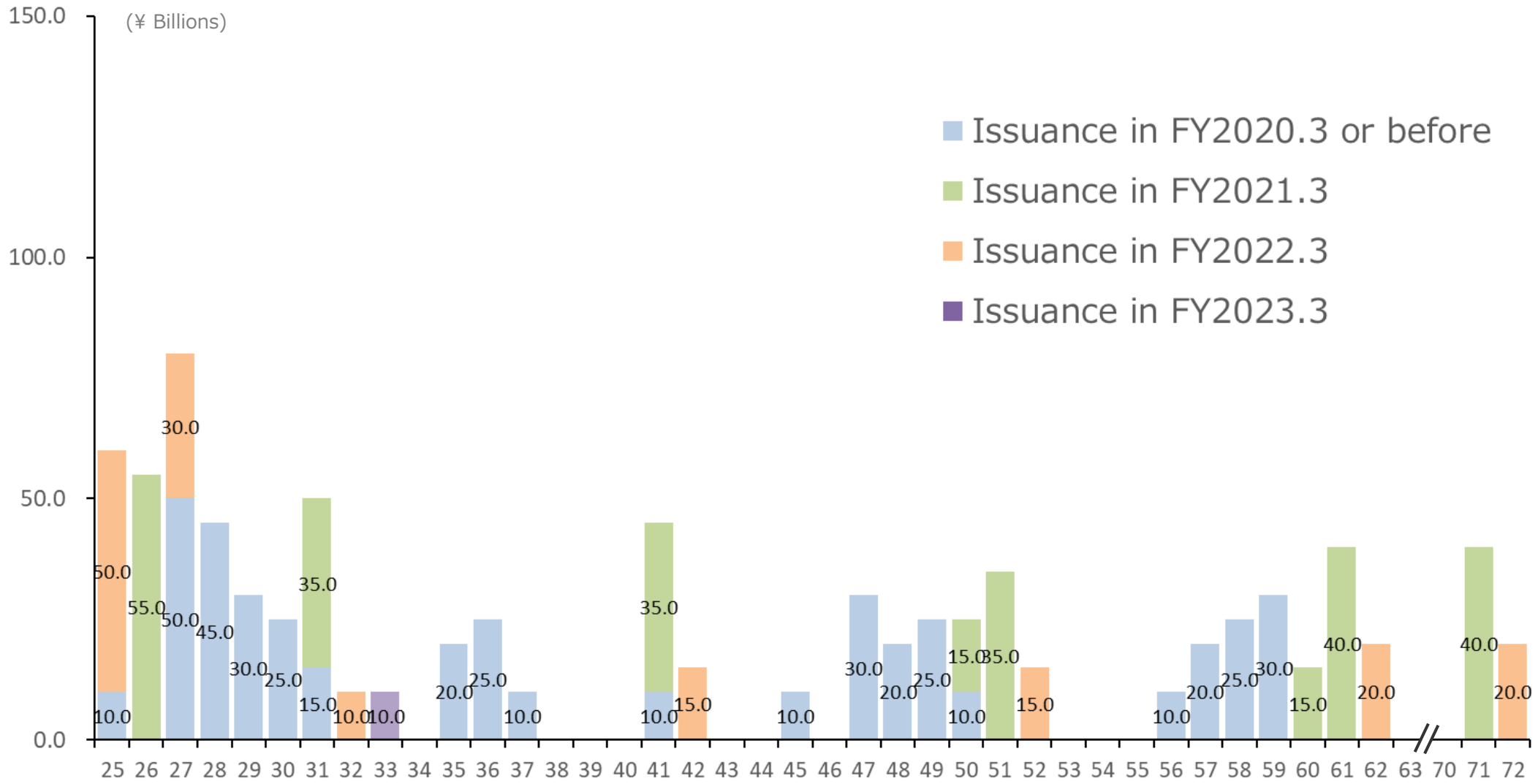



Explore appropriate non-financial KPIs as indicators of growth in residents, exchanges and related populations along train lines

*JR-West non-consolidated indicators

# Expected bond redemption

## Bond redemption amount (non-consolidated)




(Note 1): As of May 1, 2024
(Note 2): Redemption amount is face value
(Note 3): Horizontal axis shows fiscal years ending in March

# Extension of Hokuriku Shinkansen to Tsuruga

## Section between Kanazawa and Tsuruga opened on March 16, 2024

The average number of passengers per day for the first month of operation was about 23,000 (up +26% compared to 2019).
Spare no effort to help with rebuilding the region and facilitating the recovery

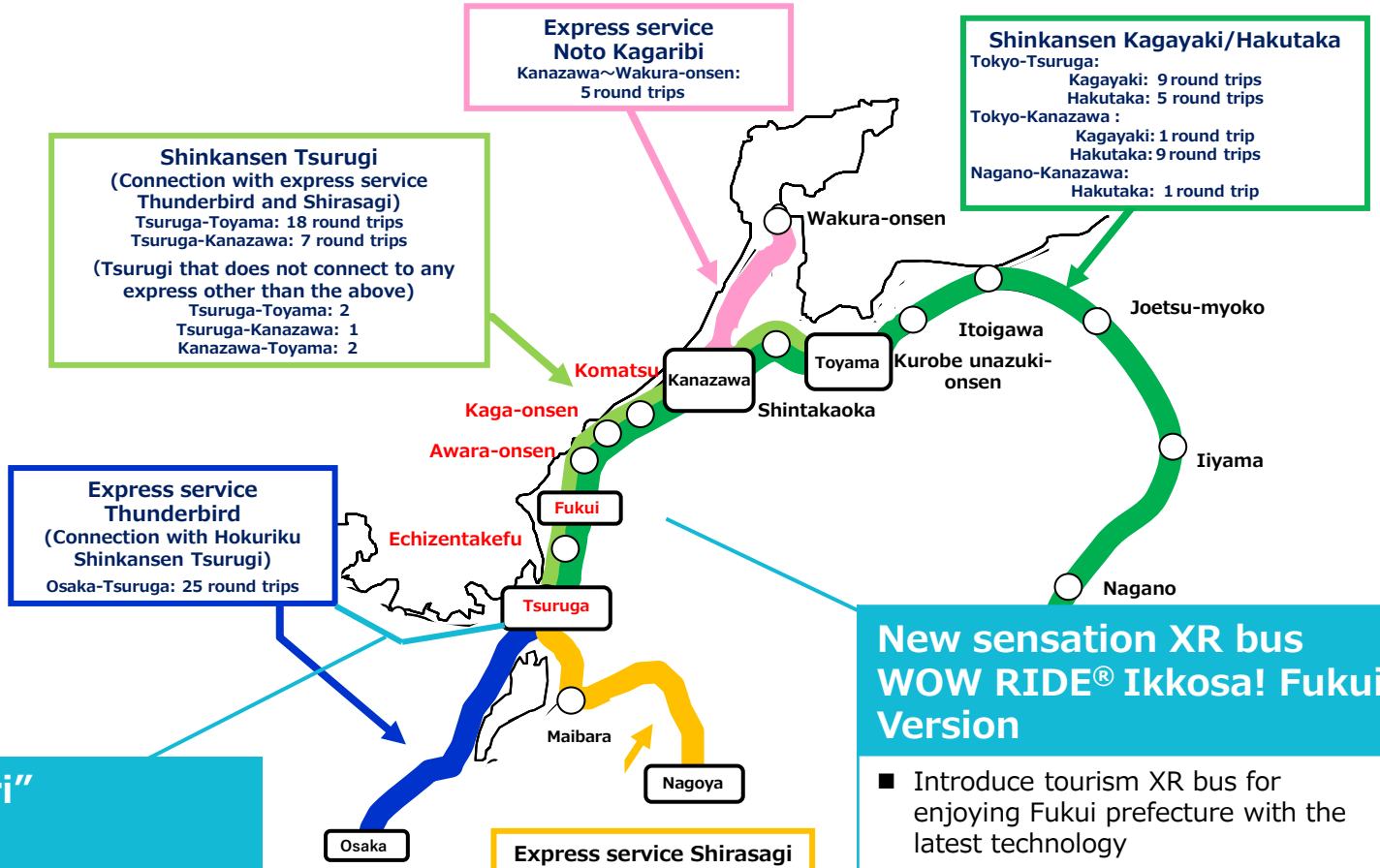
### Basic information

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

### Fastest train times

- 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)

## Operations after opening Tsuruga extension




### New tourism train "Hana Akari" for 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

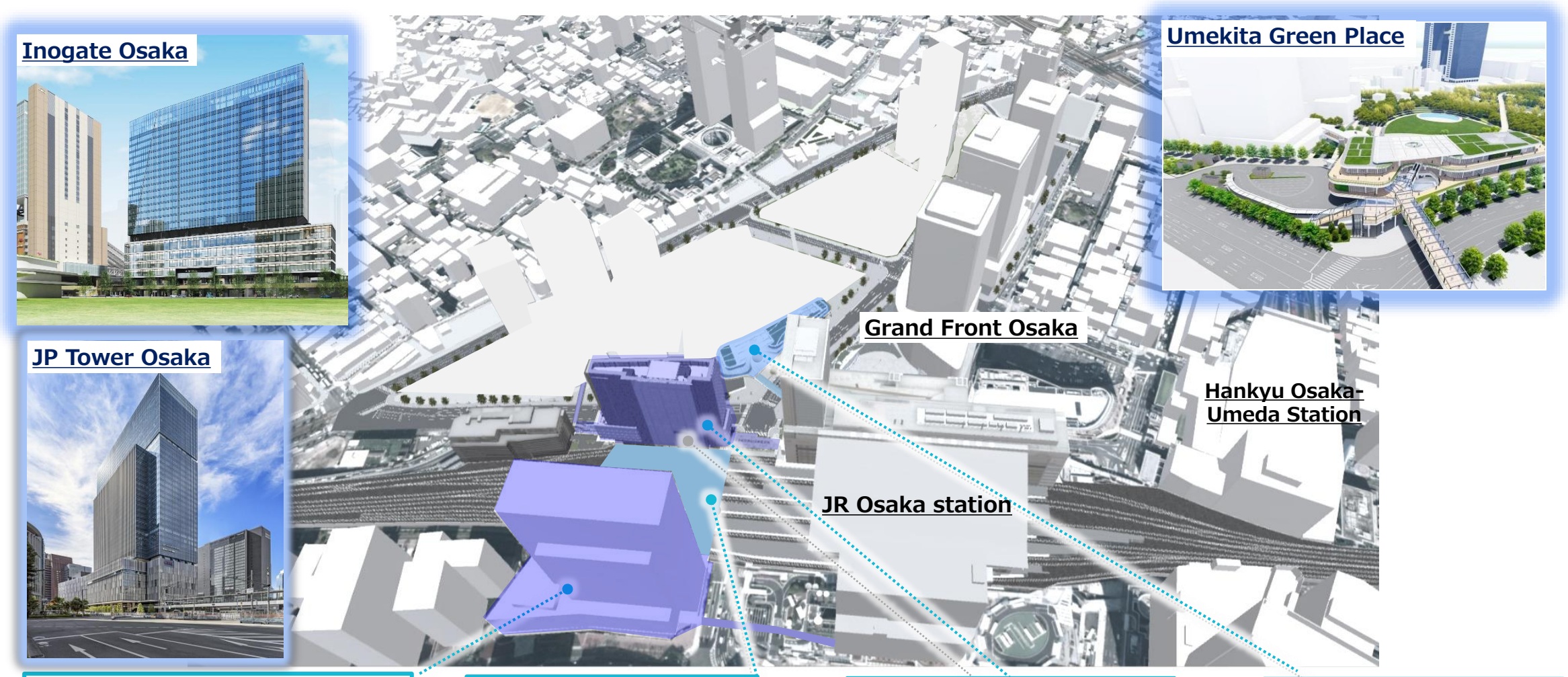
### New sensation XR bus WOW RIDE® Ikkosa! Fukui Version

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

# City development projects by sites

| | | FY24.3 | FY25.3 | FY26.3 | From FY27.3 |
|---|---|---|---|---|---|
| Osaka | JP Tower Osaka | | Construction completed in March 2024<br>Opened in July 2024 | | |
| Osaka | Inogate Osaka | | Opened in July 2024 | | |
| Osaka | Development under western elevated tracks | | Plan to open from spring 2024 to spring 2027 | | |
| Osaka | JR WEST LABO Umekita Green Place | | Pedestrian deck for shared use opening in September 2024<br>Full opening around spring 2025 | | |
| Osaka | (Reference) Grand Green Osaka (Umekita 2nd) | | Advance opening in September 2024 | | |
| | Hiroshima Station building | | Scheduled opening in spring 2025 | | |
| | Sannomiya Station building | | | | Scheduled opening in FY2029 |

# City development projects by sites: Osaka




**JP Tower Osaka**
Floor space: About 227,000㎡
Purpose: Office, hotels, retail, theaters.
Size: 39 floors above ground, three floors below ground
Date: Completed in March 2024, Opened on July 31 ,2024
(from November 2023 onward)

**Development under western elevated tracks**
Floor space: About 6,000㎡
Purpose: Retail, bus terminal.
Planned opening: Spring 2027
(Spring 2024 onward)

**Inogate Osaka**
Floor space: About 60,000㎡
Purpose: Office, retail.
Size: 23 floors above ground, one floor below ground
Date: Opened on July 31 ,2024
(Retail: July 31, office: Autumn 2024)

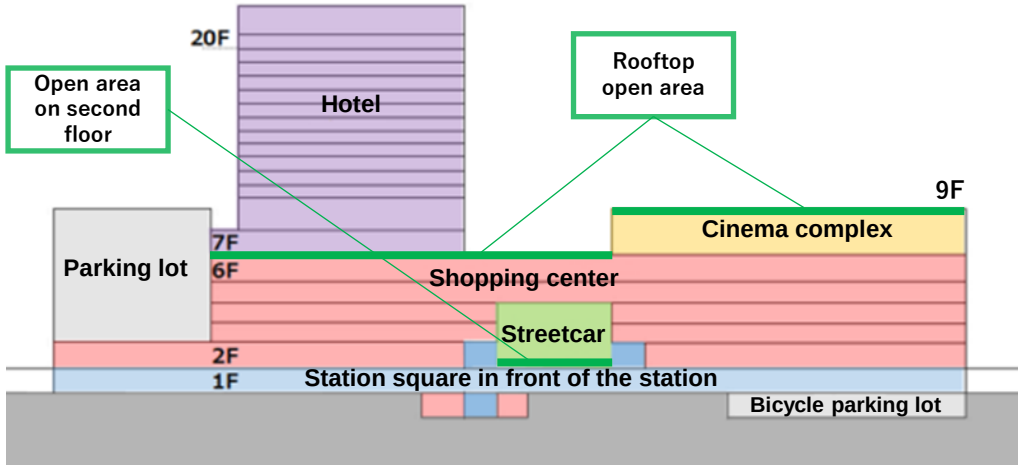
**Umekita Green Place**
Floor space: About 10,000㎡
Purpose: Retail, pedestrian spaces, etc.
Size: Three floor above ground
Planned opening: Spring 2025

# City development projects by sites: Hiroshima

## 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 | Shopping center, cinema complex (retail space about 25,000㎡)<br>Hotel Granvia Hiroshima South Gate (380 guestrooms)<br>Parking garage (for about 500 vehicles) directly connected to station building<br>Separate parking garage (for about 400 vehicles) |

## Floor configuration diagram




## External rendering of new station building

## Internal rendering of building

## Rendering of hotel

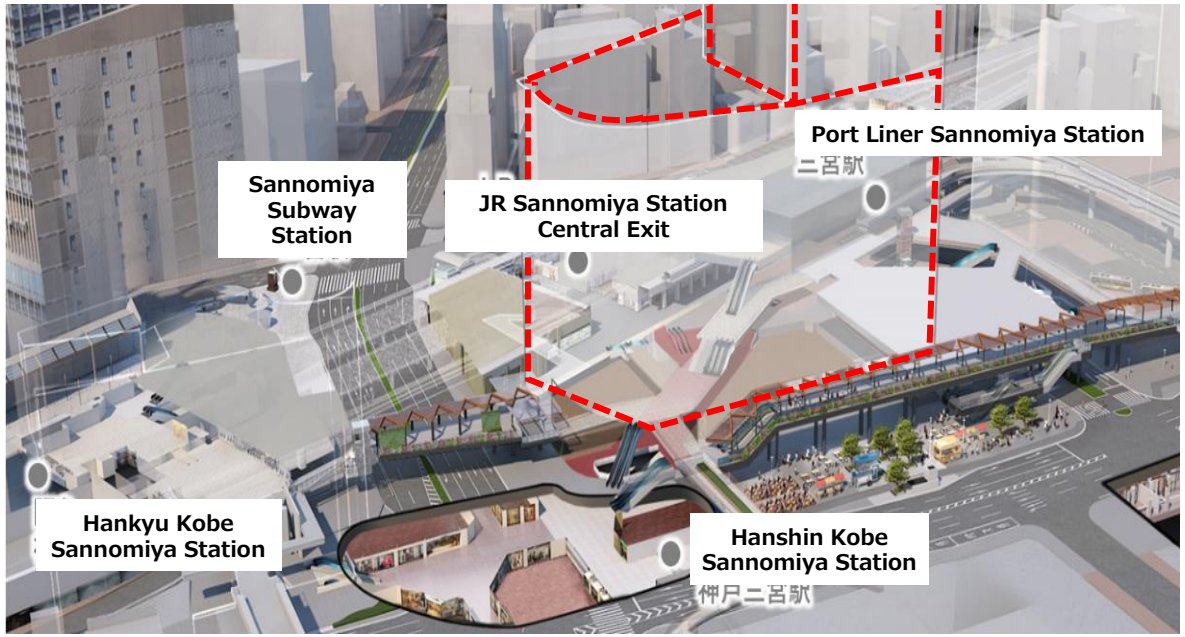
# City development projects by sites: Sannomiya

## Development Overview

Note: Joint project with Urban Renaissance Agency

| | |
|---|---|
| Planned opening | FY2030.3 |
| Floor space | 91,500m² |
| Size | Roughly 160m height (JR-West's largest development project) |
| Purpose | Retail (retail space about 19,000㎡)<br>Hotel (about 250 guestrooms)<br>Office (Leasable floor area about 6,000㎡)<br>Open area (open-air deck area in front of station) |

## New JR Sannomiya Station building and neighboring transfer lines

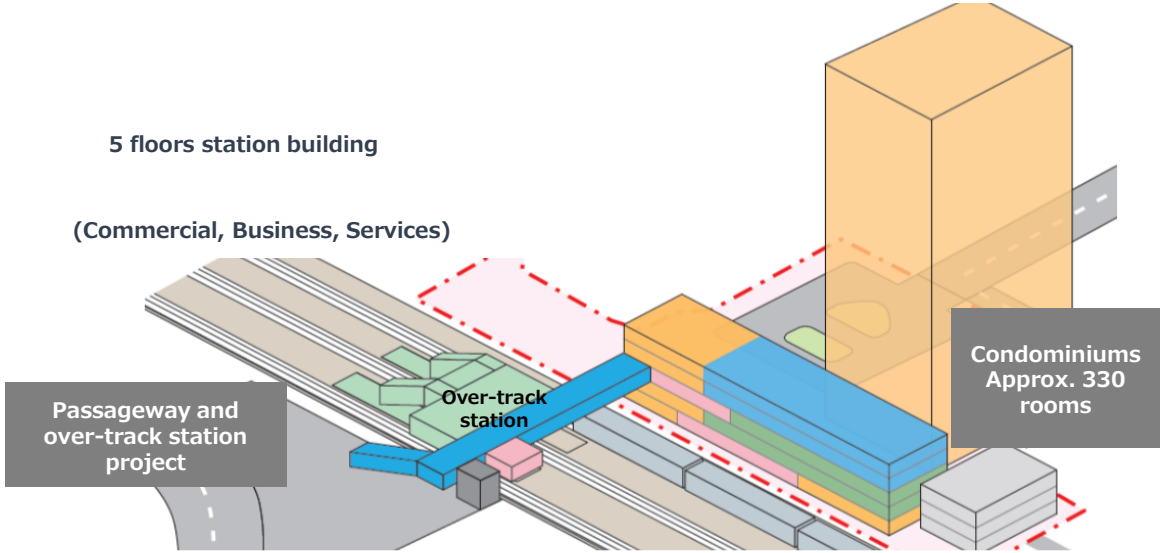



## External rendering of new station building

# City development projects: Along railway line (Mukomachi Station and Nishi-Akashi Station)

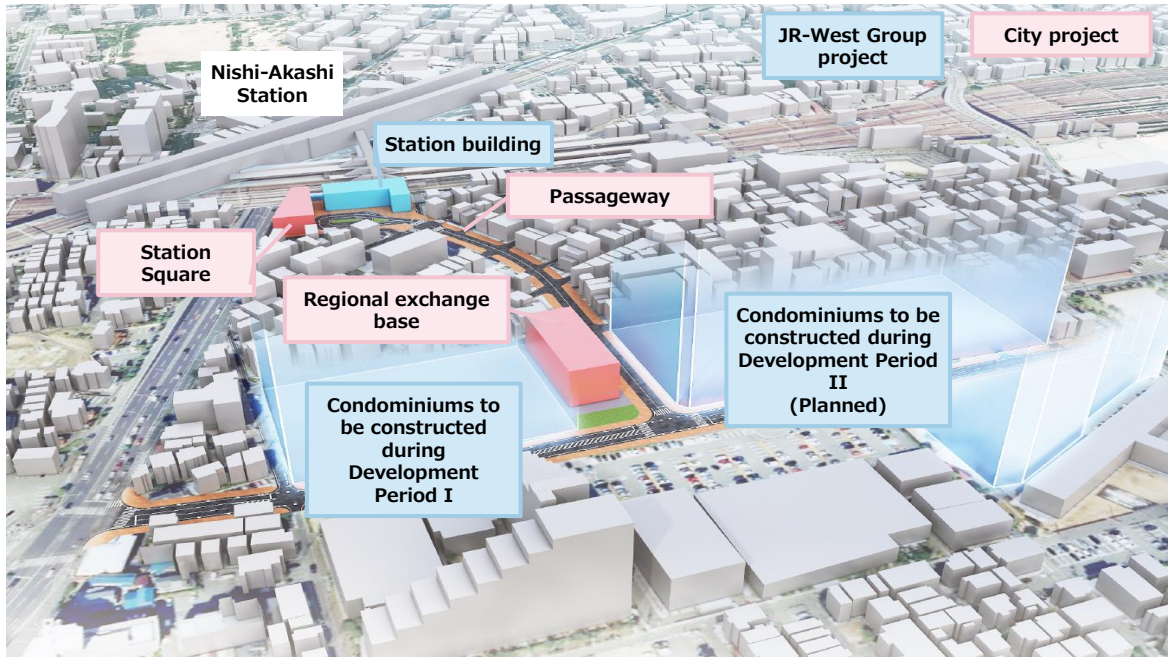
## Mukomachi Station East Section (JR Kyoto Line/Muko City, Kyoto Prefecture)

| | |
|---|---|
| Vision | Creating an urban environment in which people want to work due to a concentration of diverse startups and cutting-edge companies |
| Development overview | East-west passageway and bridge project at Mukomachi Station<br>East station section urban development project |
| Planned opening | FY2028 |
| Floor space | About 46,300 ㎡ |
| Building floor area | About 2,700 ㎡ |




## Nishi-Akashi Station South Section (JR Kobe Line/Akashi City, Hyogo Prefecture)

| | |
|---|---|
| Vision | To solve regional issues in cooperation with Akashi City and at the same time create a convenient and livable town utilizing a wide-area railroad network |
| Development overview | New ticket gates and new station building<br>Condominium development utilizing company housing site<br>(Development Period Ⅰ and Development Period Ⅱ)<br>(City projects: Station square, access road development, community exchange base development) |
| Planned opening | Station building: FY2026<br>Condominiums (constructed during Development Period Ⅰ): FY2027 |
| Floor space | Station building: Approx. 2,400 ㎡<br>Condominiums (constructed during Development Period Ⅰ): Approx. 35,400 ㎡ |
| Building floor area | Station building: Approx. 900 ㎡<br>Condominiums (constructed during Development Period Ⅰ): Approx. 5,300 ㎡ |



# 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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- Important risks and factors that could cause actual results to be materially different from expectations include, but are not limited to:
  - enexpenses, 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 August 1, 2024 based on information available to JR-West as of August 1, 2024 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.

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