

May 19, 2000

West Japan Railway Company

Flash Report (Consolidated and Non-Consolidated Basis)

Results for the fiscal year ended March 31, 2000

FLASH REPORT (CONSOLIDATED BASIS)

Company name: West Japan Railway Company

Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya, Kyoto, Hiroshima, and Fukuoka Stock Exchanges

Code number: 9021

Address of headquarters: 4-24, Shibata 2-chome, Kita-ku, Osaka 530-8341, Japan

For further information, please contact: Katsuaki Moricho, General Manager, Public Relations Department

Telephone: 81-6-6375-8889

1. Results for fiscal 2000 (April 1, 1999 to March 31, 2000)

(1) Operating results

(Figures less than ¥1 million have been omitted)

	Operating revenues	Operating income	Recurring profit
	(% change from the previous year)	(% change from the previous year)	(% change from the previous year)
	Millions of yen	Millions of yen	Millions of yen
Fiscal 2000	1,191,009 (-1.2)	107,758 (-8.6)	47,626 (-7.9)
Fiscal 1999	1,205,078 (-2.0)	117,941 (-0.1)	51,713 (7.7)

	Net income	Net income per share	Net income per share after dilution	Return on equity	Recurring profit-to-total capital ratio	Recurring profit-to-operating revenues ratio
	(% change from the previous year)					
	Millions of yen	Yen	Yen	%	%	%
Fiscal 2000	25,091 (—)	12,545.62	—	7.6	1.9	4.0
Fiscal 1999	-9,014 (—)	-4,507.03	—	-2.8	2.0	4.3

Notes: 1. Gain/(loss) on investment in subsidiaries recorded using the equity accounting method:

Year ended March 31, 2000: ¥514 million

Year ended March 31, 1999: ¥-274 million

2. Valuation gains/(losses) on marketable securities: ¥274,865 million

Valuation gains/(losses) on derivative transactions: ¥-39 million

3. Changes in the accounting method: none

4. Percentages indicate year-on-year increase/(decrease) in operating revenue, operating income, recurring profit, and net income.

(2) Financial position

	Total assets	Total shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2000	2,561,095	348,847	13.6	174,423.63
Fiscal 1999	2,574,195	312,617	12.1	156,308.87

(3) Cash flows

	Operating activities	Investing activities	Financing activities	Cash at end of the six months
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2000	154,790	-99,277	-66,597	128,891
Fiscal 1999	—	—	—	—

(4) Number of subsidiaries and affiliates

Consolidated subsidiaries: 64

Unconsolidated subsidiaries: 0 (Including no affiliates, accounted for by the equity method)

Affiliates: 5 (Including 5 affiliates, accounted for by the equity method)

(5) Changes in the scope of consolidation

There was an inclusion of 20 consolidated subsidiaries.

There was an exclusion of 2 consolidated subsidiaries.

There was no inclusion nor exclusion of affiliated companies accounted for by the equity method.

2. Forecast for fiscal 2001 (April 1, 2000 to March 31, 2001)

	Operating revenues	Recurring profit	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim period	586,500	36,500	19,500
Fiscal year	1,175,500	46,500	25,000

(Reference) Consolidated net income per share for the fiscal year is forecast to be ¥12,500.00.

(1) BASIC MANAGEMENT POLICIES

1. Management Policies

The West Japan Railway Company (JR-West) Group is developing its operations by leveraging its core railway business, focusing on passengers, and effectively utilizing its railway stations and peripheral assets.

The JR-West Group aims to raise operating efficiency by optimizing the use of the various management resources of Group companies and thereby strengthen its overall competitiveness.

Looking ahead, we will continue to plan business strategies that will expand the revenues and profits of the JR-West Group as a whole.

2. Basic Policy Regarding the Distribution of Profits

Our basic policy is to make stable dividend payments while securing adequate internal capital resources to maintain a management foundation that is capable of supporting stable, long-term growth.

3. Changes to Management Organization Structure

In June 1999, JR-West introduced an Executive Officer System to clearly define and separate management responsibility for strategic decision making and strategy execution.

4. Management Issues

The operating environment surrounding the JR-West Group remains severe. The negative effect of a stagnant Japanese economy is being exacerbated by such factors as a gradual decline in the size of Japan's labor force. Additionally, we have to face more-intense competition from other modes of transport.

Amid such circumstances, in its core railway business JR-West will place an utmost priority on safety issues to restore the public's confidence in the safety and reliability of its transportation services. At the same time, various steps will be taken to raise the quality and cost-competitiveness of the high-speed transportation services provided by our train fleet, including 500 Series and 700 Series *Nozomi* trains and *Hikari Rail Star* trains.

In our travel business, as we enter the second year of operations using an independent internal company system, we will strive to create a strong profit center. Such measures to strengthen our corporate structure will facilitate the complete privatization of JR-West in as short a time frame as possible.

As for group operations, JR-West sets profit standards and restructures businesses located within station complexes to increase their total earnings potential. We are also studying the establishment of e-business within station complexes to meet changing consumer needs in an information-based society.

(2) PERFORMANCE HIGHLIGHTS

1. Overview of Operating Results

There were signs of recovery in certain sectors of the Japanese economy during fiscal 2000, ended March 31, 2000. However, consumer spending was impeded by a weak employment market, and private-sector capital investment declined, resulting in another year of economic frustration for Japan.

Against this backdrop, members of the JR-West Group implemented a range of measures to improve earnings, reduce expenses, and strengthen financial structures. As a result, net income for the fiscal year totaled ¥25.0 billion.

Results by business segment on a consolidated basis are as follows:

(1) Transportation Services

Members of the JR-West Group stepped up efforts to improve the safety and reliability of railway operations, including work to resolve problems that caused concrete slabs to fall from tunnel walls on the Sanyo Shinkansen line in June and October 1999. We improved the convenience of Shinkansen services by increasing the frequency of *Nozomi* train departures and introducing *Hikari Rail Star* train services; and on conventional lines, new rapid trains with a maximum operating speed of 130km/hr were introduced on the Kyoto-Osaka-Kobe route to reduce travel times for passengers along this busy corridor. In April 1999, we introduced an independent internal company system for our travel business to facilitate the decision making speed required to deliver competitive travel packages, and stepped up marketing activities for our travel-related services. Nevertheless, a reduction in the volume of passengers making long-distance trips led to a decline in revenue and profits from railway transportation services.

Revenues and profits from bus services also fell, because of a decline in the number of passengers on conventional bus services.

As a result of these performances, operating revenue from Transportation Services fell 2.6%, to ¥882.0 billion, and operating income dropped 14.6%, to ¥86.7 billion.

(2) Sales of Goods

West Japan Railway Isetan Limited posted revenue and profit gains for the year under review. On the other hand, the decline in the number of passengers on railway transportation services had a severe impact on sales by stores on station premises, causing operating revenue in the Sales of Goods sector to dip 0.3%, to ¥192.7 billion. However, comprehensive cost-reduction measures resulted in operating income surging 372.6%, to ¥2.0 billion.

In February 2000, the JR-West Group restructured two subsidiaries responsible for managing operations in the Sales of Goods sector. This move was taken to revitalize retail outlets located on station premises that primarily target commuter customers and also create the management flexibility required to develop business structures that will capitalize on the commercial potential of JR-West stations.

(3) Real Estate

In Real Estate, the JR-West Group opened the east annex at Sumiyoshi Station on the Kobe Line, refurbished the Hiroshima Station Building, and moved forward with a number of other projects to maximize the earnings potential of its stations and peripheral properties. As a result, operating revenue increased 12.7%, to ¥61.6 billion and operating income rose 27.4%, to ¥13.3 billion.

(4) Other Businesses

The JR-West Group implemented comprehensive cost reduction measures and pursued a variety of strategies to boost revenues from Other Businesses—which includes hotels, food services, advertising agency services, and construction services—amid the ongoing slump in consumer spending. As a result, operating revenue rose 0.7% from the previous fiscal year, to ¥196.1 billion; however, operating income declined 1.9%, to ¥6.4 billion.

In line with the aforementioned subsidiary restructuring, our food service businesses were reformed to improve operating flexibility and efficiency. In hotel operations, due to the stagnation of earnings of West Japan Railway Hotel Development Limited, JR-West decided to buy the assets of the Group company as part of plans to strengthen the subsidiary's management foundation.

2. Forecast for Fiscal 2001

While the operating environment is expected to be challenging in fiscal 2001, ending March 31, 2001, the JR-West Group remains committed to reforms that will enhance its ability to generate stable profit growth over the long term.

Consolidated results forecasts for the year are as follows:

Operating revenue	¥1,175.5 billion
Operating income	¥ 104.5 billion
Recurring profit	¥ 46.5 billion
Net income	¥ 25.0 billion

CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

At March 31

	Millions of yen		
	2000	1999	Change from the previous year
ASSETS			
Current assets:			
Cash	82,290	125,810	-43,520
Trade notes receivable	12,664	10,935	1,728
Railway fares receivable	11,749	7,301	4,447
Accounts receivable	17,794	21,424	-3,630
Income tax receivable	233	9,578	-9,344
Marketable securities	37,994	3,791	34,202
Inventory	12,717	14,442	-1,725
Deferred income taxes	10,540	—	10,540
Other current assets	39,754	41,377	-1,622
Less allowance for doubtful accounts	-259	-329	70
Total current assets	225,479	234,333	-8,853
Fixed assets:			
Property, plant and equipment:	2,163,177	2,186,807	-23,629
Buildings	1,169,203	1,206,534	-37,330
Machinery, equipment and transport equipment	233,698	211,580	22,117
Land	681,661	678,853	2,807
Construction in progress	41,914	50,218	-8,303
Other property, plant and equipment	36,699	39,620	-2,920
Intangible fixed assets	9,312	6,899	2,413
Investments and other assets:	162,685	145,197	17,488
Investment securities	85,944	88,948	-3,003
Contribution to a welfare annuity	17,364	26,047	-8,682
Deferred income taxes	32,087	—	32,087
Other investments and assets	27,353	30,308	-2,955
Less allowance for doubtful accounts	-64	-106	41
Total fixed assets	2,335,176	2,338,904	-3,728
Deferred assets	439	957	-517
Total assets	2,561,095	2,574,195	-13,099

CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

At March 31

	Millions of yen		
	2000	1999	Change from the previous year
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Trade notes receivable	37,036	38,270	-1,233
Short-term loans	14,365	11,649	2,716
Current portion of long-term debt	39,966	102,012	-62,046
Current portion of redemption of bonds	14,960	—	14,960
Current portion of long-term payables to acquisition of railway facilities	33,765	35,478	-1,713
Accounts payable	78,158	79,349	-1,190
Accrued consumption tax	5,670	9,824	-4,154
Accrued income tax	31,903	2,922	28,980
Railway deposits received	4,134	3,181	953
Deposits	34,901	34,449	452
Prepaid railway fares received	29,095	29,401	-305
Deposits received	61,757	74,664	-12,906
Less allowance for bonuses	42,358	43,833	-1,475
Reserve for compensation of completion of construction	38	42	-4
Other current liabilities	28,238	29,103	-865
Total current liabilities	456,349	494,182	-37,833
Long-term liabilities:			
Bonds	200,000	214,960	-14,960
Long-term debt	455,523	413,707	41,815
Long-term payables of acquisition of railway facilities	754,758	788,336	-33,578
Retirement allowances for employees	204,838	217,375	-12,537
Consolidation adjustment	1,578	1,440	137
Other long-term liabilities	123,986	118,025	5,961
Total long-term liabilities	1,740,685	1,753,846	-13,160
Total liabilities	2,197,035	2,248,029	-50,993
Minority interest	15,213	13,548	1,664
Shareholders' equity			
Capital stock	100,000	100,000	—
Capital surplus	55,000	55,000	—
Consolidated retained earnings	193,847	157,617	36,229
Total shareholders' equity	348,847	312,617	36,229
Total liabilities, minority interest, and shareholders' equity	2,561,095	2,574,195	-13,099

CONSOLIDATED STATEMENTS OF INCOME

(Figures less than ¥1 million have been omitted)

Years ended March 31

	Millions of yen		
	2000	1999	Change from the previous year
Operating revenues	1,191,009	1,205,078	-14,068
Operating expenses:			
Transportation and other services and cost of sales	941,780	932,581	9,199
Selling, general and administrative expenses	141,469	154,555	-13,085
	1,083,250	1,087,137	-3,886
Operating income	107,758	117,941	-10,182
Nonoperating revenues:			
Interest	353	684	-330
Dividend	713	847	-134
Amortization of consolidated difference	968	574	394
Equity in earnings of affiliates	514	—	514
Other	7,412	7,026	385
	9,962	9,132	829
Nonoperating expenses:			
Interest	68,003	72,005	-4,001
Equity in loss of affiliates	—	274	-274
Other	2,088	3,080	-992
	70,092	75,360	-5,268
Recurring profit	47,628	51,713	-4,084
Extraordinary profits:			
Proceeds from construction contract	44,662	39,924	4,737
Other	7,206	4,837	2,369
	51,868	44,762	7,106
Extraordinary losses:			
Loss on reduction entry of proceeds from construction	44,191	37,099	7,091
Additional burden from the JR Mutual Aid Pension System to a welfare annuity	—	44,569	-44,569
Loss on investment securities	2	11,071	-11,068
Other	11,167	3,172	7,995
	55,361	95,912	-40,550
Income before income taxes	44,135	562	43,572
Corporation, inhabitants and enterprise taxes	36,298	9,934	26,363
	-17,081	—	-17,081
Minority interests in earnings of consolidated subsidiaries	173	358	-185
Net income	25,091	-9,014	34,105

APPROPRIATION OF CONSOLIDATED RETAINED EARNINGS

(Figures less than ¥1 million have been omitted)

Years ended March 31

	Millions of yen		
	2000	1999	Change from the previous year
Retained Earnings at Beginning of the Year	181,779	176,834	4,944
Retained earnings at the end of the previous year	157,617	—	157,617
Other retained earnings at beginning of the year	—	169,049	-169,049
Legal reserve at the beginning of the year	—	7,785	-7,785
Adjustment for tax effect in prior years	24,161	—	24,161
Appropriations of Retained Earnings	13,023	10,203	2,820
Cash dividends	10,000	10,000	—
Directors' bonuses	178	203	-24
[Including corporate auditors' bonuses]	[15]	[20]	[-4]
Decline in retained earnings due to increase in number of consolidated subsidiaries	2,809	—	2,809
Decline in retained earnings due to merger(s) of consolidated subsidiaries	35	—	35
Net Income	25,091	-9,014	34,105
Retained Earnings at the End of the Year	193,847	157,617	36,229

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Figures less than ¥1 million have been omitted)

Years ended March 31

	Millions of yen
	2000
I. Cash flow from operating activities	
Income before income taxes adjustments	44,135
Depreciation and amortization	122,646
Loss on reduction entry of fixed assets	44,191
Loss from disposal of fixed assets	6,042
Loss on write-down of investment securities	2
Amortization of consolidation differences	-968
Decrease in allowance for doubtful accounts	-117
Decrease in allowance for retirement benefits	-12,689
Decrease in allowance for bonuses	-1,597
Interest and dividends receivable	-1,066
Interest expenses	68,003
Investment income from accounted for by the equity method	-514
Contributions for the construction of railway facilities receivable	-44,662
Increase in accounts receivable	-110
Decrease in inventories	1,784
Decrease in accounts payable	-4,198
Decrease in accrued consumption tax	-4,249
Other	4,146
Sub-total	220,777
Interest and dividends received	1,130
Interest paid	-69,011
Income taxes paid	-7,684
Income taxes refunded	9,577
Net cash provided by operating activities	154,790
II. Cash flows from investing activities	
Cash placed in time deposits (maturities of more than 3 months)	-3,735
Cash withdrawn from time deposits (maturities of more than 3 months)	4,368
Purchases of property, plant and equipment	-139,617
Proceeds from sales of property, plant and equipment	1,031
Receipts of contributions for the construction of railway facilities	35,580
Purchases of investment securities	-734
Proceeds from sales of investment securities	5,732
Proceeds from purchases of stock of subsidiaries accompanying change in the scope of consolidation	34
Increase in loans	-185
Collections of loans and advances	1,037
Other	-2,789
Net cash used in investing activities	-99,277
III. Cash flows from financing activities	
Increase in short-term borrowings, net	1,491
Increase in long-term debt	81,093
Repayment of long-term debt	-103,809
Long-term payables of acquisition of railway facilities	-35,291
Cash dividends	-9,962
Payment of cash dividends to minority interests	-118
Net cash used in financing activities	-66,597
IV. Decrease in cash and cash equivalents	11,084
V. Cash and cash equivalents at beginning of the year	136,905
VI. Increase in cash and cash equivalents accompanying consolidation of additional subsidiaries	3,071
VII. Cash and cash equivalents at end of the year	128,891

SEGMENT INFORMATION

1. Information by business segment

Fiscal 1999 (April 1, 1998 to March 31, 1999)

	Millions of yen						
	Transportation	Sales of goods	Real estate business	Other	Total	Eliminations and intergroup	Consolidated
Operating revenues and income:							
Operating revenues from third parties	889,345	174,217	39,429	102,085	1,205,078		
Intergroup operating revenues and transfers	16,507	19,189	15,229	92,673	143,601		
Total sales	905,853	193,407	54,659	194,759	1,348,679	-143,601	1,205,078
Operating expenses	804,175	192,981	44,176	188,166	1,229,499	-142,362	1,087,137
Operating income	101,677	425	10,483	6,593	119,179	-1,238	117,941
Assets, depreciation, and capital expenditures:							
Total assets	1,954,003	56,705	324,921	243,336	2,578,967	-4,771	2,574,195
Depreciation	105,683	1,489	12,084	5,745	125,002		125,002
Capital expenditures	117,706	2,752	5,273	5,668	131,401		131,401

Fiscal 2000 (April 1, 1999 to March 31, 2000)

	Millions of yen						
	Transportation	Sales of goods	Real estate business	Other	Total	Eliminations and intergroup	Consolidated
Operating revenues and income:							
Operating revenues from third parties	865,528	174,679	48,957	101,843	1,191,009		
Intergroup operating revenues and transfers	16,519	18,094	12,658	94,282	141,555		
Total sales	882,048	192,774	61,616	196,125	1,332,565	-141,555	1,191,009
Operating expenses	795,267	190,762	48,265	189,655	1,223,951	-140,700	1,083,250
Operating income	86,780	2,011	13,351	6,470	108,613	-855	107,758
Assets, depreciation, and capital expenditures:							
Total assets	1,904,466	58,899	319,656	262,643	2,545,666	15,429	2,561,095
Depreciation	104,140	1,428	12,161	4,916	122,646		122,646
Capital expenditures	117,893	1,708	4,466	7,656	131,725		131,725

Notes: 1. Fractional sums less than ¥1 million have been omitted.

2. Method of defining business segments: With the standard breakdown of Japanese manufacturers as a base, business segments have been determined in a way that shows as precisely and accurately as possible the actual diversity of present business conditions.

3. Main activities of business segments

Transportation: railways, buses, ferries

Sales of goods: department store sales and sales of food and beverages, office equipment, newspapers, etc.

Real estate business: lending, leasing, and purchasing of real estate

Other: food services, hotels, advertising services, railway-related electric facilities, etc.

4. In the Total assets section for fiscal 2000, the intergroup assets included in the "Eliminations and intergroup" item total ¥100,096 million, the majority being in the form of excess working funds (cash and marketable securities) and deferred income tax managed by the parent company.

2. Information by location

As there were no overseas subsidiaries in fiscal 1999 or fiscal 2000, this item was not included.

3. Overseas sales

As there were no overseas sales in fiscal 1999 or fiscal 2000, this item was not included.

FLASH REPORT (NON-CONSOLIDATED BASIS)

Company name: West Japan Railway Company

Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya, Kyoto, Hiroshima, and Fukuoka Stock Exchanges

Code number: 9021

Address of headquarters: 4-24, Shibata 2-chome, Kita-ku, Osaka 530-8341, Japan

For further information, please contact: Katsuaki Moricho, General Manager, Public Relations Department

Telephone: 81-6-6375-8889

Date for Convening the Board of Directors Meeting for the Settlement of Accounts: May 19, 2000

Date of the General Meeting of the Shareholders: June 28, 2000

Interim dividends: Yes

1. Results for fiscal 2000 (April 1, 1999 to March 31, 2000)

(1) Operating results

(Figures less than ¥1 million have been omitted)

	Operating revenues (% change from the previous year)	Operating income (% change from the previous year)	Recurring profit (% change from the previous year)
	Millions of yen	Millions of yen	Millions of yen
Fiscal 2000	885,144 (-2.7)	99,054 (-12.1)	42,326 (-16.3)
Fiscal 1999	909,484 (-3.9)	112,702 (-1.8)	50,579 (4.7)

	Net income (% change from the previous year)	Net income per share	Net income per share after dilution	Return on equity	Recurring profit-to-total capital ratio	Recurring profit-to-operating revenues ratio
	Millions of yen	Yen	Yen	%	%	%
Fiscal 2000	25,578 (—)	12,789.34	—	7.8	1.9	4.8
Fiscal 1999	-5,640 (—)	-2,820.15	—	-1.8	2.2	5.6

Notes: 1. Average number of shares outstanding during fiscal years:

Fiscal 2000: 2,000,000 shares

Fiscal 1999: 2,000,000 shares

2. There were no changes in accounting methods.

3. Percentages indicate year-on-year increase/(decrease) in operating revenue, operating income, recurring profit, and net income.

(2) Dividends

	Dividends per share for the fiscal year			Total amount of dividends (for the entire fiscal year)	Payout ratio	Dividends-to-shareholders' equity ratio
	Interim dividends	Year-end dividends				
	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2000	5,000.00	2,500.00	2,500.00	10,000	39.1	2.9
Fiscal 1999	5,000.00	2,500.00	2,500.00	10,000	—	3.2

Note: The year-end dividends of fiscal 1999 include no commemorative dividend and no special dividend.

(3) Financial position

	Total assets	Total shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2000	2,232,690	346,691	15.5	173,345.57
Fiscal 1999	2,242,032	312,086	13.9	156,043.22

Note: Number of shares outstanding at fiscal year-end:

Fiscal 2000: 2,000,000 shares

Fiscal 1999: 2,000,000 shares

2. Forecast for fiscal 2001 (April 1, 2000 to March 31, 2001)

	Operating revenues	Recurring profit	Net income	Dividends per share for the fiscal year		
				Interim dividends	Year-end dividends	
				Yen	Yen	Yen
Interim period	439,000	34,000	19,000	2,500.00	—	—
Fiscal year	871,900	40,000	22,700	—	2,500.00	5,000.00

(Reference) Net income per share for the fiscal year is forecast to be ¥11,350.00.

NON-CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

At March 31

	Millions of yen		
	2000	1999	Change from the previous year
ASSETS			
Current assets:			
Cash	29,196	69,193	-39,996
Railway fares receivable	11,159	6,695	4,463
Accounts receivable	13,162	13,137	25
Refunded income taxes receivable	—	9,557	-9,557
Accrued income	6,228	6,706	-478
Short-term loans	2,800	750	2,050
Marketable securities	34,150	—	34,150
Real estate for sale	233	334	-101
Materials and supplies	2,988	3,633	-645
Prepaid expenses	1,958	2,039	-81
Deferred income taxes	8,510	—	8,510
Other current assets	11,938	13,449	-1,510
Less allowance for doubtful accounts	-90	-91	1
Total current assets	122,237	125,406	-3,169
Fixed assets:			
Railway	1,670,645	1,684,164	-13,519
Ferry	272	308	-35
Other operations	83,605	72,416	11,189
Related business	90,025	93,473	-3,447
Construction in progress	37,116	48,767	-11,651
Investments and advances:	228,787	217,495	11,292
Investment securities	54,866	57,428	-2,562
Stocks of subsidiaries	108,695	108,392	302
Long-term loans	8,913	6,294	2,619
Long-term prepaid expense	3,973	7,842	-3,869
Contribution to a welfare annuity	17,351	26,027	-8,675
Deferred income tax	24,823	—	24,823
Other investments and advances	10,195	11,538	-1,342
Less allowance for doubtful accounts	-31	-29	-2
Total fixed assets	2,110,453	2,116,625	-6,172
Total assets	2,232,690	2,242,032	-9,341

NON-CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

At March 31

	Millions of yen		
	2000	1999	Change from the previous year
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	1,170	—	1,170
Current portion of long-term debt	24,894	91,624	-66,730
Current portion of redemption of bonds	14,960	—	14,960
Current portion of long-term payables to the acquisition of railway facilities	33,765	35,478	-1,713
Current portion of long-term payables	288	288	—
Accounts payable	95,319	95,514	-195
Accrued expenses	15,268	16,364	-1,095
Accrued consumption tax	3,153	7,218	-4,065
Accrued enterprise tax	30,051	—	30,051
Railway deposits received	4,635	3,669	965
Deposits	25,179	25,794	-614
Prepaid railway fares received	29,034	29,331	-296
Deposits received	59,497	72,103	-12,605
Advance payments received	471	457	14
Allowance for bonuses	36,339	37,775	-1,436
Other current liabilities	609	819	-209
Total current liabilities	374,637	416,439	-41,801
Long-term liabilities:			
Bonds	200,000	214,960	-14,960
Long-term debt	333,706	287,200	46,506
Long-term payables of acquisition of railway facilities	754,758	788,336	-33,578
Long-term payables	16,492	4,280	12,212
Retirement allowances for employees	199,012	211,546	-12,534
Other long-term liabilities	7,392	7,183	209
Total long-term liabilities	1,511,361	1,513,506	-2,145
Total liabilities	1,885,999	1,929,945	-43,946
Shareholders' equity:			
Capital stock	100,000	100,000	—
Legal reserve:	64,815	63,801	1,014
Capital surplus	55,000	55,000	—
Earned legal surplus	9,815	8,801	1,014
Retained earnings:	181,875	148,285	33,590
Voluntary reserves	105,000	105,000	—
Unappropriated retained earnings	76,875	43,285	33,590
[Net income, including current net income]	[25,578]	[-5,640]	[31,218]
Total shareholders' equity	346,691	312,086	34,604
Total liabilities and shareholders' equity	2,232,690	2,242,032	-9,341

NON-CONSOLIDATED STATEMENTS OF INCOME

(Figures less than ¥1 million have been omitted)

Years ended March 31

	Millions of yen		
	2000	1999	Change from the previous year
Operating revenues	885,144	909,484	-24,340
Transportation	773,992	795,581	-21,588
Transportation incidentals	26,164	27,148	-983
Other operations	19,943	20,548	-604
Miscellaneous	65,042	66,206	-1,163
Operating expenses	786,089	796,781	-10,692
Personnel costs	350,106	357,809	-7,703
Non-personnel costs	276,586	277,790	-1,203
Energy costs	39,328	40,560	-1,232
Maintenance costs	112,354	108,013	4,341
Miscellaneous costs	124,904	129,216	-4,312
Rental payments for JRCPD.etc	23,853	22,863	990
Taxes	31,056	31,305	-249
Depreciation	104,486	107,012	-2,525
Operating income	99,054	112,702	-13,648
Non-operating revenues	7,550	7,285	265
Non-operating expenses	64,278	69,408	-5,130
Recurring profit	42,326	50,579	-8,252
Extraordinary profit	48,335	43,150	5,185
Extraordinary loss	46,385	93,692	-47,306
Income before income taxes	44,276	37	44,239
Income taxes-current	32,862	5,677	27,185
Income taxes-deferred	-14,165	—	-14,165
Net income	25,578	-5,640	31,218

APPROPRIATION OF RETAINED EARNINGS

(Figures less than ¥1 million have been omitted)

Years ended March 31

	Millions of yen		
	2000	1999	Change from the previous year
Unappropriated retained earnings for the current year	76,875	43,285	33,590
Appropriation is proposed as follows:			
Earned legal surplus	505	514	-8
Cash dividends to shareholders	5,000	5,000	—
[per share]	[¥2,500]	[¥2,500]	
Directors' bonuses	56	142	-86
[Including corporate auditors' bonuses]	[12]	[12]	[-0]
General reserve	25,000	—	25,000
Retained earnings carried forward to the next period	46,314	37,629	8,685

Notes: 1. Interim dividends for fiscal 1999 were paid on December 10, 1999: ¥5 billion (¥2,500 per share)

2. Interim dividends for fiscal 2000 were paid on December 10, 2000: ¥5 billion (¥2,500 per share)