

**FLASH REPORT (CONSOLIDATED BASIS)**Company name: **West Japan Railway Company**

Stock listings: Tokyo, Nagoya and Fukuoka Stock Exchanges

Code number: 9021 URL: <http://www.westjr.co.jp>

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Quarterly report filing date (Planned): August 7, 2013 Planned start of dividend payments: —

Quarterly supplemental explanatory material prepared: Yes

Quarterly results briefing held: None

(Figures less than ¥1 million have been omitted.)

**1. Results for the Three Months Ended June 30, 2013 (from April 1, 2013 to June 30, 2013)****(1) Operating Results**

Three months ended June 30

Percentages indicate year-on-year increase/ (decrease).

	Operating revenues		Operating income		Recurring profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2013	310,870	0.1	37,090	5.6	30,525	7.7	18,588	13.9
2012	310,527	3.4	35,126	50.0	28,330	68.6	16,314	61.8

(Note) Comprehensive Income: Three months ended June 30, 2013: ¥19,577 million, 23.9%;  
Three months ended June 30, 2012: ¥15,806 million, 60.2%

	Net income per share	Net income per share after dilution
	Yen	Yen
2013	95.99	—
2012	84.25	—

**(2) Financial Position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2013	2,586,859	776,994	29.2
March 31, 2013	2,613,743	768,174	28.5

(Reference) Total shareholders' equity: June 30, 2013: ¥754,452 million, March 31, 2013: ¥745,678 million

**2. Dividends**

Year ended/ ending March 31

	Dividends per share				
	June 30	September 30	December 31	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2013	—	55.00	—	55.00	110.00
2014	—				
2014 (Forecast)		55.00	—	55.00	110.00

(Note) Revision of dividends forecast for this period: None

### 3. Forecasts for Fiscal Year Ending March 31, 2014

Percentages indicate year-on-year increase/ (decrease).

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	639,000	(0.1)	68,000	(5.3)	55,000	(4.9)
Fiscal year	1,310,500	0.9	125,000	(3.5)	101,500	(3.0)

	Net income		Net income per share
	Millions of yen	%	Yen
Interim period	31,000	(10.8)	160.09
Fiscal year	57,500	(4.5)	296.94

(Note) Revision of earnings forecast for this period: None

#### Notes

- (1) Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries following a change in the scope of consolidation): None
- (2) Adoption of simplified accounting practices and special accounting policy for quarterly financial reporting: None
- (3) Changes from accounting methods, procedures and the presentation of the quarterly consolidated financial statements:
  - 1) Changes based on revision of accounting standards: None
  - 2) Changes other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Restatements: None

#### (4) Number of Shares Outstanding (Common stock)

	Three months ended June 30, 2013	Years ended March 31, 2013
1) Number of shares issued and outstanding (including treasury stock):	198,256,600	198,256,600
2) Number of treasury stock	4,615,174	4,615,100
		Three months ended June 30, 2012
3) Average number of shares outstanding for each period (cumulative term):	193,641,492	193,641,500

\* Indication regarding the status of quarterly review procedures

These financial statements are not subject to quarterly review procedures under the Financial Instruments and Exchange Act. The review of these financial statements in accordance with the Financial Instruments and Exchange Act had not been completed at the time of disclosure.

#### Notes

1. The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements.
2. Supplementary materials for the financial statements are posted on our homepage.

## 1. QUALITATIVE INFORMATION ON THE RESULTS FOR THE SUBJECT PERIOD

On April 25, 2005, JR-West caused an extremely serious accident when one of its trains derailed between Tsukaguchi and Amagasaki stations on the Fukuchiyama Line, resulting in 106 fatalities and more than 500 injuries of passengers. Since the accident JR-West has exerted its full effort with regard to its three pillars of management, specifically “Measures to have ourselves accepted as acting with the best of intentions by the victims of the train accident,” “Measures to enhance safety,” and “Furthering of reform.”

In March 2013 JR-West formulated and announced the “JR-West Group Medium-Term Management Plan 2017,” together with its core component, the “Safety Think-and-Act Plan 2017.” The new plan retains the “three pillars of management” as its highest priority, while newly establishing “Our Future Direction – The Ideal Form for JR-West” to explicate our management vision. For the realization of this plan, following the principle of each and every employee “thinking and acting based on the field,” we will implement priority strategies derived from the “Three Basic Strategies” of “Safety,” “Customer Satisfaction,” and “Technologies,” and the “Four Business Strategies” of “Shinkansen,” “Kansai Urban Area,” “Other West Japan Area,” and “Business Development.”

During the subject first quarter period (April 1, 2013 to June 30, 2013), JR-West conducted memorial services, held explanatory briefings in May 2013 for the victims of the Fukuchiyama Line accident, and continued to make concerted efforts with regard to the families of the victims. We also conducted measures to help foster a safe and secure society through the JR-West Relief Foundation, a public-interest association established in the wake of the Fukuchiyama Line accident.

In terms of “Safety,” the highest priority of the Three Basic Strategies, in the “Safety Think-and-Act Plan 2017” formulated in March 2013, JR-West set specific numerical targets, including “No railway accidents that result in casualties among our customers, and no labor accidents that result in fatalities among our employees.” As a corporate group, JR-West worked to establish safety management based on a determination to “never allow an accident such as that on the Fukuchiyama Line to again occur.”

For “Customer Satisfaction,” JR-West sought “customer-based management,” and made efforts to meet the needs and expectations of customers.

For “Technologies,” JR-West pursued technical development aimed at fostering advances in railway operations systems, and explored ways to resolve issues through technology.

Regarding the “Four Business Strategies,” for “Shinkansen” JR-West implemented various travel campaigns, expanded product offerings for seniors, and made other efforts to enhance the potential of the Shinkansen. We also established a special office in our Kanazawa Branch Office to prepare for the opening of the Kanazawa segment of the Hokuriku Shinkansen.

For “Kansai Urban Area,” JR-West worked to ensure a high-quality transport rail service through such measures as enhancing safety at level crossings. We also pursued business development and other steps to enhance the appeal of urban areas.

For “Other West Japan Area,” JR-West pursued business development with close ties to areas as a means of leveraging the positive qualities and strengths of the region.

For “Business Development,” JR-West implemented measures for the development of terminal stations and to enhance the appeal of areas along railway belts. We also established structures for

business matching, and took steps to cultivate and nurture new business fields.

JR-West also pursued initiatives toward “building foundations” for sound business and operational management as a company. These including “Enhance Front-Line Capabilities,” in which employees at all workplaces identify issues and resolve them of their own accord, as well as securing and training human resources, and raising motivation.

In terms of measures for compliance, corporate governance, disclosure, crisis management, and the global environment, JR-West worked to fulfill its responsibilities as a member of society.

The business environment for JR-West remains harsh, due to such factors as competition from other modes of transport, and the recent power supply issues. Going forward, the operating environment is expected to become even more difficult with population decline, globalization, networking, regional inequality, and the diversification of values. Amid such circumstances, with the aim of building corporate value over the long term, by deepening interaction and ties with communities, and working together as a corporate group to develop businesses with close ties to areas, JR-West took steps to enhance the quality of the railway, to expand non-transportation operations, and to promote new business creation, establishing a foundation for sustainable growth.

As a result, on a consolidated basis, operating revenues for the subject first quarter period (April 1, 2013 to June 30, 2013) rose 0.1% from the same period of the previous fiscal year to ¥310.8 billion. Operating income increased 5.6% from a year earlier to ¥37.0 billion, while recurring profit rose 7.7% to ¥30.5 billion, with net income up 13.9% to ¥18.5 billion.

## **(1) Qualitative Information on Consolidated Business Results**

### Consolidated Results for the Three Months Ended June 30, 2013 (April – June 2013)

Operating revenues:	¥310.8 billion
Operating income:	¥37.0 billion
Recurring profit:	¥30.5 billion
Net income:	¥18.5 billion

## **Results by Business Segment**

### **a. Transportation Operations**

In the railway business, JR-West continued to pursue improvement measures that reflected the remarks, including the proposals and opinions, noted in the investigation report on the Fukuchiyama Line accident. Further, to achieve the goal in the “Safety Think-and-Act Plan 2017” of “No railway accidents that result in casualties among our customers, and no labor accidents that result in fatalities among our employees,” JR-West maintained its “Continual effort to realize safe, reliable transport service,” moved ahead with efforts to “Increase the level of risk assessment,” and took other steps to improve safety. In addition, to achieve the goal of “Increasing safety awareness and implementing think-and-act initiatives with the highest priority on human life,” taking to heart the seriousness of accidents now and in the future, we conducted employee training and other measures through the Railway Safety Education Center, established to teach systematically the lessons learned from accidents.

In terms of safety-related investments, JR-West enhanced safety for level crossing systems and implemented safety measures for platforms. For measures to limit damage from earthquakes,

we conducted seismic retrofitting for pillars supporting elevated tracks, and continued to move forward with the installation of derailment prevention guards on the Sanyo Shinkansen. We also conducted trainings in accordance with the “Rules for Tsunami Evacuation Guidance” formulated based on the lessons of the Great East Japan Earthquake, and took other steps to enhance infrastructure to facilitate communication of information on earthquakes and tsunami, and to provide for the smooth evacuation of passengers. Various types of training sessions were also conducted on caring for passengers and improving response in the event of an accident.

In transportation operations, usage of the Sanyo Shinkansen and urban network was positive as a result of timetable revisions implemented in March 2013 to increase the frequency of *Nozomi* and *Sakura* Shinkansen services, and to expand the 12-car special rapid service on the JR Kyoto Line and JR Kobe Line. During the “Golden Week” holidays in first week of May and on weekends, we took steps to enhance convenience on the Shinkansen by increasing the frequency of *Sakura* services and *Nozomi* services providing direct through-service between Tokyo and Hakata, and on conventional lines by increasing the frequency of *Thunderbird* limited express services.

In marketing initiatives, to compete with other modes of transport JR-West launched the “Super Haya-toku” early discount ticket, and made efforts to promote use of the Shinkansen through such initiatives as the “Remember Kyushu Campaign” to firmly establish use of direct through-services between the Sanyo and Kyushu Shinkansens, now in its third year of operation, and the “Detective Conan Kumamoto/Aso Mystery Tour.” We also worked to stimulate tourism working together with communities, including conducting the “Goen wo Musubu Izumo Campaign,” along with tourism materials and product development for the “Hiroshima Destination Campaign.” In addition, to further draw customers to Osaka, which has become more attractive with the opening of Grand Front Osaka and other large-scale commercial facilities, JR-West conducted “City Hike Osaka,” jointly promoted by six rail companies in the Kansai region.

In bus services, JR-West worked to enhance customer convenience with measures including flexible pricing schemes designed around usage trends.

In ferry services (the Miyajima Line), JR-West marketed the service to travel companies and took other steps to secure revenue.

As a result, operating revenues for the Transportation Operations segment decreased 1.3% from the same period of the previous fiscal year, to ¥204.4 billion, though operating income rose 4.7%, to ¥29.3 billion.

## **b. Retail Business**

For the JR Osaka Mitsukoshi Isetan department store, JR-West worked to offer highly original goods and services. In response to the tight commercial climate, we took steps to establish shops that appeal to local customers, and are considering fundamental measures aimed at business revitalization. We also took steps to enhance the appeal of stations, including opening fashion and variety goods stores in Sannomiya Station, as well as Eki QoI Pharmacy JR Osaka Store, a station-style drug store in Osaka Station.

As a result, operating revenues in the Retail Business segment rose 1.1% from the previous fiscal year, to ¥56.7 billion, with operating income up to ¥0.8 billion.

### **c. Real Estate Business**

JR-West moved forward with the development of stations and surrounding areas. At the Himeji Station Building, completed in April 2013, we opened piole HIMEJI in conjunction with the renovation of the commercial facility underneath the elevated tracks, while at Nada Station we opened a new station building centered on health clinics. For existing commercial facilities, JR-West took proactive steps to bring in tenants with customer-drawing power, and to invigorate business at stores. We also worked to effectively utilize land held, including leasing the site of Suita Katayama company housing to an educational institution.

As a result, operating revenues for the Real Estate Business segment rose 3.6% from the previous fiscal year to ¥21.3 billion. Operating income, however, declined 7.1% from a year earlier to ¥6.2 billion.

### **d. Other Businesses**

In hotel operations, JR-West worked to expand sales through such measures as hosting various events. In travel agency operations, JR-West expanded internet sales, and took steps to increase sales of products that utilize railways. For the J-West Card, we made efforts to acquire cardholders through an online application service, while for the ICOCA e-money service, we maximized the effect of nationwide reciprocal service of transport IC cards that started in March 2013, and we worked to expand opportunities to use the service, including introducing services at large commercial facilities around town. In addition, JR-West developed and nurtured new businesses, including the launch of a “Rail & Car Share” service at Shinkansen stations, and 10 major stations in the Kyoto–Osaka–Kobe region.

As a result, operating revenues for the Other Businesses segment increased 6.3% from the previous fiscal year, to ¥28.4 billion, with operating income up 11.7%, to ¥0.1 billion.

## **(2) Qualitative Information on the Consolidated Financial Position**

JR-West’s total assets at the end of the first quarter of the subject fiscal year (June 30, 2013) amounted to ¥2,586.8 billion, a decrease of ¥26.8 billion from the end of the previous fiscal year (March 31, 2013). This was due mainly to a decrease in property, plant and equipment.

Total liabilities amounted to ¥1,809.8 billion, a decrease of ¥35.7 billion from the end of the previous fiscal year. This was due mainly to a decrease in accounts payable.

Total net assets amounted to ¥776.9 billion, an increase of ¥8.8 billion from the end of the previous fiscal year. This was due mainly to an increase in retained earnings.

## **(3) Qualitative Information on Consolidated Forecasts**

Because at this point consolidated earnings for the subject fiscal year are generally in line with expectations, there is no change to the consolidated earnings forecasts from those announced on April 30, 2013.

Note: Forecasts are based on certain assumptions considered reasonable at the time of this announcement, and are subject to change.

## 2. CONSOLIDATED FINANCIAL STATEMENTS

### (1) Consolidated Balance Sheets

	Millions of yen	
	March 31, 2013	June 30, 2013
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	48,636	47,269
Notes and accounts receivable-trade	20,656	17,926
Railway fares receivable	28,657	23,538
Accounts receivable	46,431	34,626
Inventories	37,928	48,529
Deferred income taxes	19,011	11,443
Other current assets	44,846	50,175
Less allowance for doubtful accounts	(757)	(719)
Total current assets	245,410	232,789
<b>Fixed assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	1,080,462	1,072,851
Machinery and transport equipment	297,927	289,627
Land	659,045	659,194
Construction in progress	50,631	52,633
Other property, plant and equipment	32,753	32,854
Total property, plant and equipment	2,120,820	2,107,162
<b>Intangible fixed assets</b>	34,146	32,270
<b>Investments and other assets:</b>		
Investments in securities	62,940	64,261
Deferred tax assets	120,804	121,300
Other investments and assets	30,778	30,244
Less allowance for doubtful accounts	(1,281)	(1,282)
Total investments and other assets	213,243	214,524
Total fixed assets	2,368,209	2,353,956
<b>Deferred income taxes</b>	122	112
<b>Total assets</b>	<b>2,613,743</b>	<b>2,586,859</b>

	Millions of yen	
	March 31, 2013	June 30, 2013
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	50,919	36,989
Short-term loans	24,124	46,248
Current portion of long-term debt	38,774	38,452
Current portion of long-term payables for acquisition of railway properties	39,669	39,659
Current portion of long-term accounts payable	31	31
Accounts payable	97,368	45,168
Accrued consumption tax	9,083	7,023
Accrued income tax	29,921	5,864
Prepaid railway fares received	32,828	35,827
Advances received	29,441	43,026
Allowance for bonuses	35,054	17,574
Allowance for point program	1,193	1,366
Other current liabilities	126,211	145,153
Total current liabilities	514,620	462,387
<b>Fixed liabilities:</b>		
Bonds	449,973	449,974
Long-term debt	244,614	257,686
Long-term payables for acquisition of railway properties	209,904	209,915
Long-term accounts payable	127	119
Deferred tax liabilities	357	394
Accrued retirement benefits	304,486	307,998
Allowance for environmental safety measures	10,712	10,612
Provision for unredeemed gift certificates	2,609	2,536
Other long-term liabilities	108,162	108,239
Total fixed liabilities	1,330,948	1,347,477
<b>Total liabilities</b>	<b>1,845,569</b>	<b>1,809,865</b>

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	Millions of yen	
	March 31, 2013	June 30, 2013
<b>NET ASSETS</b>		
<b>Total shareholders' equity:</b>		
Common stock	100,000	100,000
Capital surplus	55,000	55,000
Retained earnings	609,508	617,440
Treasury stock, at cost	(21,995)	(21,996)
Total shareholders' equity	742,512	750,444
<b>Valuation and translation adjustments:</b>		
Net unrealized holding gain on securities	2,677	3,455
Deferred gains or losses on hedges	488	553
Total Valuation and translation adjustments	3,165	4,008
<b>Minority interests</b>	22,495	22,541
<b>Total net assets</b>	768,174	776,994
<b>Total liabilities and net assets</b>	2,613,743	2,586,859

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### Consolidated Statements of Income

Three months ended June 30

	Millions of yen	
	2012	2013
<b>Operating revenues</b>	310,527	310,870
<b>Operating expenses:</b>		
Transportation, other services and cost of sales	232,535	231,264
Selling, general and administrative expenses	42,866	42,515
Total operating expenses	275,401	273,780
<b>Operating income</b>	35,126	37,090
<b>Non-operating revenues:</b>		
Interest income	21	17
Dividend income	156	192
Transfer from administrative fee of contracted construction	69	6
Equity in earnings of affiliates	315	168
Other	465	461
Total non-operating revenues	1,029	846
<b>Non-operating expenses:</b>		
Interest expense	7,739	7,030
Other	85	380
Total non-operating expenses	7,824	7,411
<b>Recurring profit</b>	28,330	30,525
<b>Extraordinary profits:</b>		
Gain on contributions received for construction	2,516	1,611
Other	253	507
Total extraordinary profits	2,769	2,118
<b>Extraordinary losses:</b>		
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	2,459	1,601
Other	886	622
Total extraordinary losses	3,345	2,224
<b>Income before income taxes</b>	27,754	30,419
<b>Income taxes- Current</b>	4,945	5,272
<b>Income taxes- Deferred</b>	7,037	6,449
<b>Total income taxes</b>	11,982	11,722
<b>Income before minority interests</b>	15,771	18,696
<b>Minority interests in income (loss)</b>	(542)	108
<b>Net income</b>	16,314	18,588

## Consolidated Statements of Comprehensive Income

Three months ended June 30

	Millions of yen	
	2012	2013
Income before minority interests	15,771	18,696
Other comprehensive income		
Valuation difference on available-for-sale securities	(327)	776
Deferred gains or losses on hedges	399	80
Share of other comprehensive income of associates accounted for using equity method	(36)	23
Total of other comprehensive income	35	881
Comprehensive income	15,806	19,577
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	16,263	19,430
Comprehensive income attributable to minority interests	(456)	147

## Business Segment Information

Three months ended June 30

		Billions of yen		Change from the same period of the previous period
		2012	2013	
Transportation	Operating revenues	207.0	204.4	(2.6)
	Operating income	28.0	29.3	1.3
Retail Business	Operating revenues	56.1	56.7	0.6
	Operating income	(0.2)	0.8	1.1
Real Estate Business	Operating revenues	20.5	21.3	0.7
	Operating income	6.6	6.2	(0.4)
Other Businesses	Operating revenues	26.7	28.4	1.6
	Operating income	0.1	0.1	0.0

Note: Revenues by each segment are from third parties.

## Reference Materials

### 1. NON-CONSOLIDATED BALANCE SHEETS

	March 31, 2013	<b>June 30, 2013</b>	Change
	Billions of yen	Billions of yen	Billions of yen
<b>ASSETS</b>			
<b>Current assets:</b>			
Total current assets	168.1	153.5	(14.6)
<b>Fixed assets:</b>			
Fixed assets for railway operations	1,787.9	1,768.6	(19.2)
Construction in progress	47.3	50.9	3.6
Investments and other assets	329.8	335.0	5.1
Total fixed assets	2,165.1	2,154.6	(10.4)
<b>Total assets</b>	2,333.3	2,308.2	(25.0)

	March 31, 2013	<b>June 30, 2013</b>	Change
	Billions of yen	Billions of yen	Billions of yen
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Current portion of long-term debt	76.4	76.1	(0.3)
Accounts payable	441.0	393.5	(47.4)
Total current liabilities	517.4	469.6	(47.7)
<b>Fixed liabilities:</b>			
Bonds and long-term debt	896.1	909.5	13.3
Accrued retirement benefits	284.3	287.7	3.3
Other long-term liabilities	23.7	23.5	(0.2)
Total fixed liabilities	1,204.2	1,220.7	16.5
<b>Total liabilities</b>	1,721.6	1,690.4	(31.2)
<b>Total shareholders' equity:</b>			
Common stock	100.0	100.0	
Capital surplus	55.0	55.0	
Retained earnings	475.9	481.4	5.5
Treasury stock, at cost	(21.6)	(21.6)	(0.0)
Total shareholders' equity	609.2	614.7	5.4
<b>Valuation and translation adjustments</b>	2.3	3.0	0.6
<b>Total net assets</b>	611.6	617.7	6.1
<b>Total liabilities and net assets</b>	2,333.3	2,308.2	(25.0)

## 2. NON-CONSOLIDATED STATEMENTS OF INCOME

Three months ended June 30

	2012	2013	Change from the same period of the previous year	
	Billions of yen	Billions of yen	Billions of yen	%
<b>Operating revenues:</b>				
Transportation	187.7	188.2	0.4	0.2
Transportation incidentals	4.7	4.7	(0.0)	(0.7)
Other operations	5.8	5.7	(0.1)	(2.8)
Miscellaneous	14.6	11.5	(3.1)	(21.3)
	213.1	210.2	(2.9)	(1.4)
<b>Operating expenses:</b>				
Personnel costs	58.4	58.6	0.1	0.3
Non personnel costs:				
Energy costs	8.7	9.9	1.1	13.5
Maintenance costs	25.9	24.8	(1.1)	(4.3)
Miscellaneous costs	41.6	39.0	(2.6)	(6.3)
	76.4	73.8	(2.5)	(3.4)
Rental payments, etc	5.9	5.9	(0.0)	(0.1)
Taxes	8.4	8.4	0.0	0.1
Depreciation	32.5	31.1	(1.4)	(4.3)
	181.8	178.0	(3.7)	(2.1)
<b>Operating income</b>	31.3	32.1	0.8	2.8
<b>Non-operating revenues and expenses, net:</b>				
Non-operating revenues	0.8	0.9	0.0	
Non-operating expenses	7.7	7.0	(0.6)	
	(6.8)	(6.1)	0.7	(11.3)
<b>Recurring profit</b>	24.4	26.0	1.6	6.8
<b>Extraordinary profit and loss, net:</b>				
Extraordinary profit	2.5	1.9	(0.6)	
Extraordinary loss	2.9	2.0	(0.9)	
	(0.3)	(0.1)	0.2	
<b>Income before income taxes</b>	24.0	25.9	1.9	8.0
<b>Income taxes</b>	9.1	9.8	0.6	7.3
<b>Net income</b>	14.8	16.1	1.2	8.5

## Passenger-Kilometers and Transportation Revenues

	Millions of Passenger-Kilometers				Billions of yen			
	Passenger-Kilometers				Transportation Revenues			
	Three months ended June 30		Change		Three months ended June 30		Change	
	2012	2013	Amount	%	2012	2013	Amount	%
Sanyo Shinkansen								
Commuter Passes	191	190	(0)	(0.2)	2.3	2.3	0.0	0.5
Non-Commuter Passes	3,948	3,947	(1)	(0.0)	84.1	84.3	0.2	0.3
Total	4,139	4,137	(1)	(0.0)	86.4	86.7	0.2	0.3
Conventional Lines								
Commuter Passes	6,017	5,997	(19)	(0.3)	36.0	36.0	0.0	0.2
Non-Commuter Passes	3,537	3,529	(8)	(0.2)	65.2	65.3	0.1	0.2
Total	9,555	9,527	(27)	(0.3)	101.3	101.4	0.1	0.2
Kansai Urban Area								
Commuter Passes	4,842	4,828	(13)	(0.3)	29.0	29.1	0.0	0.2
Non-Commuter Passes	2,461	2,457	(4)	(0.2)	43.6	43.9	0.3	0.8
Total	7,303	7,285	(17)	(0.2)	72.7	73.0	0.3	0.5
Other Lines								
Commuter Passes	1,175	1,169	(5)	(0.5)	6.9	6.9	(0.0)	(0.1)
Non-Commuter Passes	1,076	1,072	(4)	(0.4)	21.6	21.4	(0.2)	(1.0)
Total	2,251	2,242	(9)	(0.4)	28.6	28.3	(0.2)	(0.8)
Total								
Commuter Passes	6,208	6,188	(19)	(0.3)	38.3	38.4	0.0	0.2
Non-Commuter Passes	7,486	7,476	(9)	(0.1)	149.4	149.7	0.3	0.2
Total	13,694	13,665	(29)	(0.2)	187.7	188.2	0.4	0.2

### 3. CAPITAL EXPENDITURES

#### Consolidated Basis

	Three months ended June 30		Change from the same period of the previous period		Plan for fiscal year ending March 31, 2014
	2012	2013	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	22.4	22.1	(0.3)	(1.5)	
Capital expenditures, excluding contributions received for constructions	20.7	20.3	(0.3)	(1.7)	192.0
Contributions received for constructions	1.7	1.7	0.0	1.2	

#### Non-Consolidated Basis

	Three months ended June 30		Change from the same period of the previous period		Plan for fiscal year ending March 31, 2014
	2012	2013	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	19.1	17.1	(1.9)	(10.2)	
Capital expenditures, excluding contributions received for constructions	17.3	15.4	(1.9)	(11.4)	165.0
[Safety-related capital expenditures]	[7.6]	[9.7]	[2.1]	[27.4]	[89.0]
Contributions received for constructions	1.7	1.7	0.0	1.2	

#### Major Capital Expenditures

Capital investments included earthquake and tsunami countermeasures, new rolling stock (Shinkansen N700A Series), and expenditures related to the opening of the Hokuriku Shinkansen.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

- This report contains forward-looking statements that are based on JR-West's current expectations, assumptions, estimates and projections about its business, industry, and capital markets around the world.
- These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "plan" or similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of JR-West's financial condition, or state other forward-looking information.
- Known or unknown risks, uncertainties and other factors could cause the actual results to differ materially from those contained in any forward-looking statements. JR-West cannot promise that the expectations expressed in these forward-looking statements will turn out to be correct. JR-West's actual results could be materially different from and worse than expectations.
- Important risks and factors that could cause actual results to be materially different from expectations include, but are not limited to:
  - expenses, liability, loss of revenue or adverse publicity associated with property or casualty losses;
  - economic downturn, deflation and population decreases;
  - adverse changes in laws, regulations and government policies in Japan;
  - service improvements, price reductions and other strategies undertaken by competitors such as passenger railway and airlines companies;
  - infectious disease outbreak and epidemic;
  - earthquake and other natural disaster risks; and
  - failure of computer telecommunications systems disrupting railway or other operations
- All forward-looking statements in this release are made as of July 2013 based on information available to JR-West as of July 2013 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.