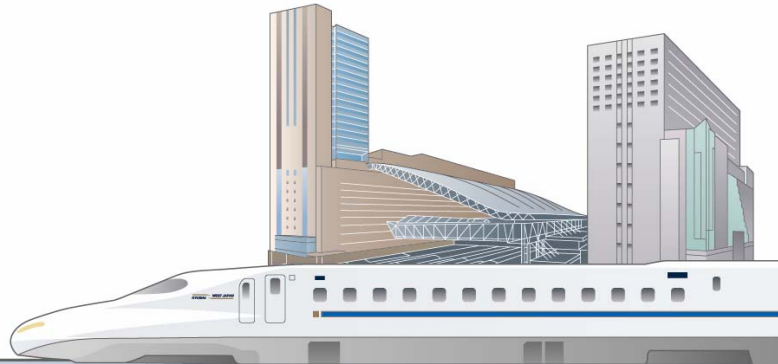


## Results for fiscal year ended March 2011 and Future Initiatives



April 2011  
West Japan Railway Company



I am Takayuki Sasaki, president of JR-West.

First, I would like to state that the thoughts and prayers of all at JR-West are with those who have lost their lives and those who are otherwise suffering as a result of the Great East Japan Earthquake. I sincerely wish that the situation recovers as quickly as possible.

Now, please let me explain "Results for fiscal year ended March 2011 and Future Initiatives."

## 1. FY2011/3 Results and Forecasts for FY2012/3

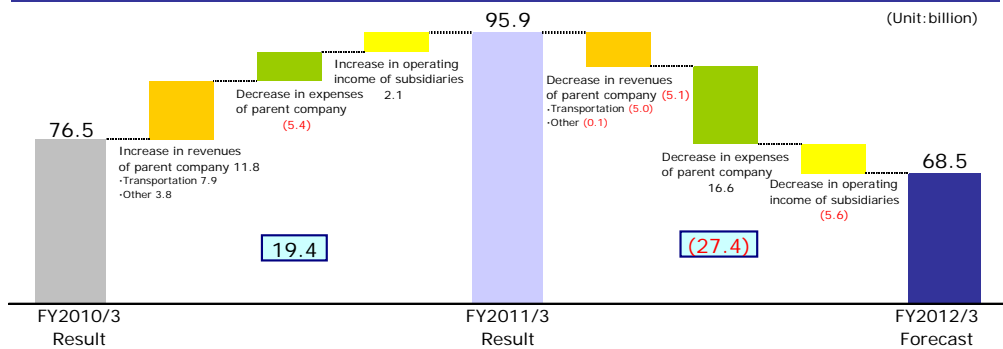
### Consolidated Financial Results and Forecasts

(Unit: billion yen)

	Results for fiscal year ended March 31, 2011			Forecasts for fiscal year ending March 31, 2012		
		YOY Increase/(Decrease)			YOY Increase/(Decrease)	
		Amount	%		Amount	%
Operating Revenues	1,213.5	23.3	2.0	1,260.0	46.4	3.8
Operating Expenses	1,117.5	3.9	0.4	1,191.5	73.9	6.6
Operating Income	95.9	19.4	25.4	68.5	(27.4)	(28.6)
Recurring Profit	68.9	20.8	43.3	42.0	(26.9)	(39.1)
Net Income	34.9	10.1	40.7	25.0	(9.9)	(28.5)

Note: Figures in bracket() are negative values.

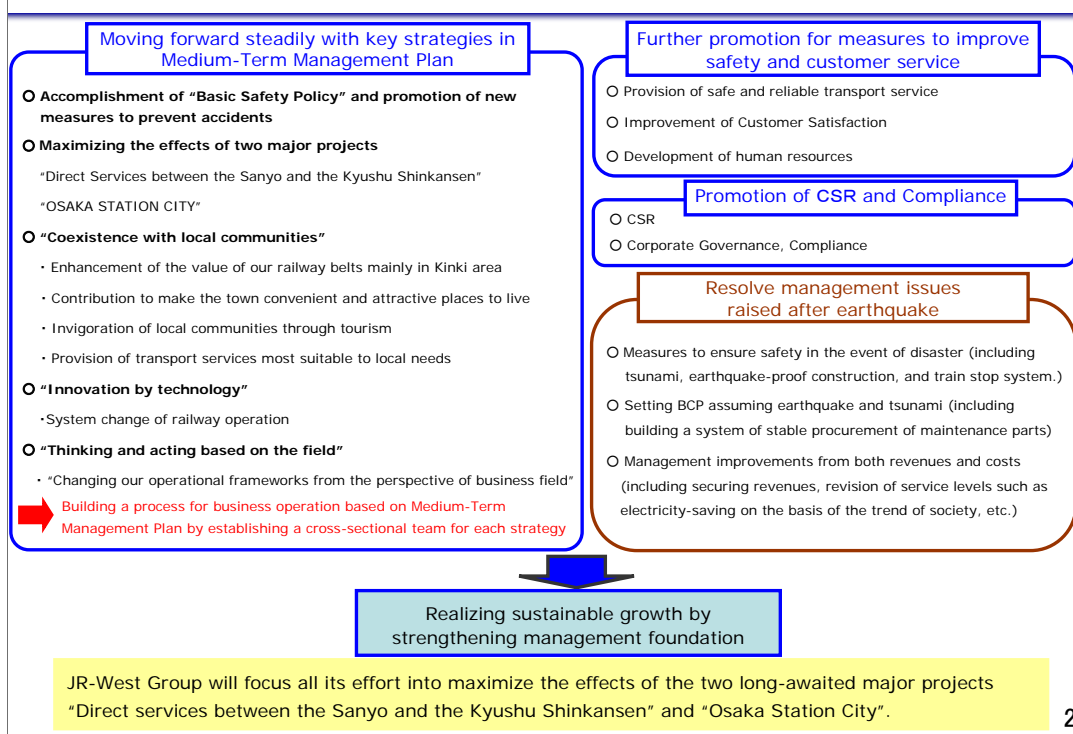
### Major Factors of Increase/Decrease in Consolidated Operating Income



Operating revenues and operating income both increased in fiscal year ended March 2011.

However, operating revenues in this fiscal year are anticipated to decrease, as travel demand drops off even in West Japan due to the Great East Japan Earthquake. Operating income is also anticipated to decrease because of the increase in operating costs centered on depreciation and amortization.

## 2. Basic Management Policy for FY2011/3



Regarding our basic policy for this fiscal year, we are moving forward steadily with key strategies in the Medium-Term Management Plan, which was revised last Autumn. We have already built a process for business operation based on the Medium-Term Management Plan by establishing cross-sectional teams for each strategy. We are also due to resolve management issues that were made apparent by the earthquake, such as measures to ensure safety in the event of disaster and a system of stable procurement of the parts.

Through the efforts above, we will improve our business performance and achieve sustainable growth, by strengthening management foundation even in a challenging economic situation.

In particular, two major projects, “Direct services between the Sanyo and the Kyushu Shinkansen” and grand opening of “Osaka Station City”, start running in earnest in this year. JR-West Group will focus all its efforts into maximizing their potential.

### 3. Major Factors of Increase/Decrease in Transportation Revenues

(Unit: Billion Yen)								
	Results for fiscal year ended March 31, 2011				Forecasts for fiscal year ending March 31, 2012			
	Transportation revenues	YOY Increase/(Decrease)		Major factors	Amount	Transportation revenues	YOY Increase/(Decrease)	
		Amount	%				Amount	Amount
Shinkansen	323.9	11.4	3.7	Fundamentals (103.0%)	9.2	319.4	(4.4)	(1.4)
				Special factors				
				Effects of timetable revisions	2.4			
				Rebound of new influenza virus in the previous year	2.2			
				Effects of direct service between the Sanyo and the Kyushu Shinkansen	0.8			
				The Great East Japan Earthquake	(2.8)			
etc.								
Kyoto-Osaka-Kobe Area conventional lines	284.4	(1.7)	(0.6)	Fundamentals (99.4%)	(1.7)	285.7	1.3	0.5
				Special factors				
				Rebound of new influenza virus	1.3			
				The Great East Japan Earthquake	(0.7)			
				Hot summer in August and September	(0.4)			
				etc.				
Other conventional lines	119.6	(1.7)	(1.4)	Fundamentals (99.6%)	(0.5)	117.7	(1.8)	(1.6)
				Special factors				
				Rebound of new influenza virus in the previous year	0.3			
				The Great East Japan Earthquake	(0.6)			
				Toll-free expressways	(0.3)			
				etc.				
Freight	0.0	(0.0)	-			0.0	(0.0)	-
<b>Total</b>	<b>728.0</b>	<b>7.9</b>	<b>1.1</b>			<b>723.0</b>	<b>(5.0)</b>	<b>(0.7)</b>

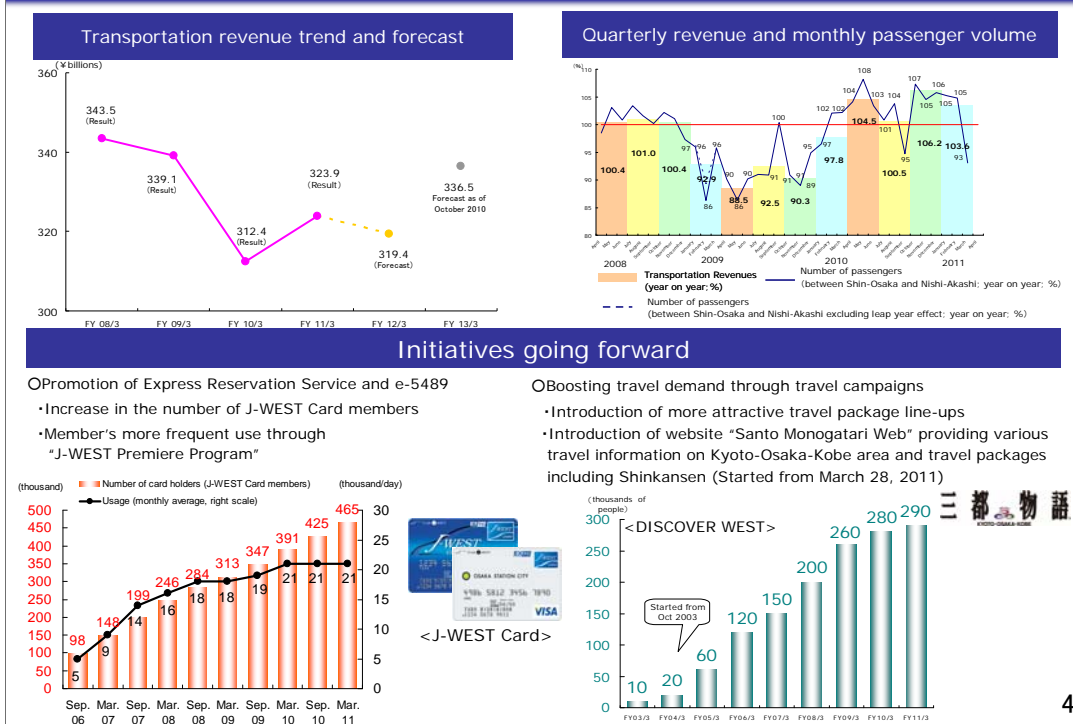
Note: Figures in bracket() are negative values.

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Transportation revenues in the fiscal year ended March 2011 increased by 7.9 billion yen from the previous year to 728.0 billion yen. The revenue trend had been steady centered on Shinkansen revenues until the first half of March 2011. However, the passenger volume declined both in Shinkansen and conventional lines after the earthquake, with a negative impact of 4.2 billion yen.

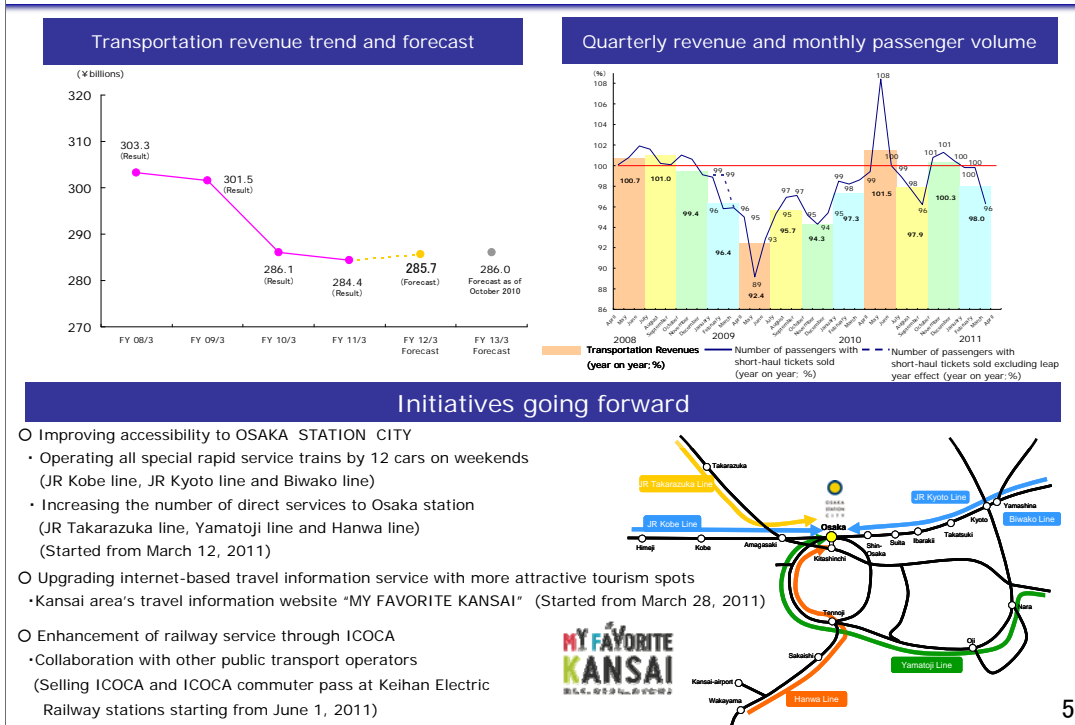
We anticipate the transportation revenues in this fiscal year will decrease by 5.0 billion yen from the previous fiscal year to 723.0 billion yen. The negative impact of the earthquake is anticipated to gradually lessen, however, it will continue more or less until December 2011 and become roughly 20.0 billion yen. On the other hand, we anticipate a positive impact of 8.5 billion yen by the direct service between the Sanyo and the Kyushu Shinkansen, 5.0 billion yen by the increase in passenger volume due to the grand opening of "OSAKA STATION CITY".

## 4. Revenue Forecasts and Initiatives Going Forward①: Shinkansen



This explains the Sanyo Shinkansen's revenue trend.

## 5. Revenue Forecasts and Initiatives Going Forward②: Kyoto-Osaka-Kobe Area



This is the revenue trend of conventional lines in Kyoto-Osaka-Kobe area.

## 6. Direct Service between the Sanyo and the Kyushu Shinkansen

### 【Outline of Direct service】

(Frequency, travel time and price)

		Frequency (return/day)	Travel time (the fastest service)	Price* (one way)
Osaka⇄Kagoshima	"Mizuho"	4	3 hours 45 minutes	¥21,600 (¥17,000 with discount)
	"Sakura"	10.5	4 hours 10 minutes	¥21,300 (¥17,000 with discount)
Osaka⇄Kumamoto	"Mizuho"	4	2 hours 59 minutes	¥18,320 (¥14,400 with discount)
	"Sakura"	11	3 hours 20 minutes	¥18,020 (¥14,400 with discount)

\*There are four west-bound and east-bound "Mizuho" services in a day.

\*Prices in parentheses represent the prices of "e-early reservation discount tickets".

### (Effects of reducing travel time)

Route and Travel time	Hiroshima	Okayama	Shin-Osaka
Kumamoto	1 hour 37minutes (52 minutes)	2 hours 14minutes (52 minutes)	2 hours 59minutes (58 minutes)
Kagoshima-Chuo	2 hours 23minutes (71 minutes)	2 hours 59minutes (72 minutes)	3 hours 45minutes (77 minutes)

\*Times are for fastest "Mizuho" Shinkansen.

Times in parentheses represent the reduction in travel time following the establishment of direct services.

(Reference) Number of travelers by rail and air on major routes (FY09/3)

Routes	Railway	Airplane	Total
Kyoto-Osaka Kobe area	358 persons/day (9%)	3,485 persons/day (91%)	3,843 persons/day
Kyoto-Osaka Kobe area	794 persons/day (30%)	1,822 persons/day (70%)	2,616 persons/day

Source: Ministry of Land, Infrastructure and Transport

### 【Provision of high quality service】

○Promotion of new internet reservation service "e-5489"

- Available to book seats of major express trains in JR-West, JR-Shikoku and JR-Kyushu area as well as "Mizuho," "Sakura" and "Tsubame," in addition to "Nozomi," "Hikari" and "Kodama" on the internet
- Selling "e-early reservation discount tickets" available when booking seats up to three days before the date of departure

○Introduction of new comfortable rolling stock with upgraded reclining functioned seats and two-by-two seating arrangement in ordinary cars



<Green car>

<Ordinary car reserved seats>

<Powder room>

### 【Invigoration of travel demand】

○Promotion of inter-regional tourism in collaboration with travel agencies, local authorities and travel operators

- Kumamoto, Miyazaki and Kagoshima Destination Campaign (from October to December, 2011)



Kumamoto, Miyazaki  
and Kagoshima  
Destination Campaign

6

Direct services between the Sanyo and the Kyushu Shinkansen started on March 12, 2011. These services got off to a slow start because the Great East Japan Earthquake occurred the day before operations began, but are used by a steady number of passengers. We will promote the inter-regional tourism between Kyushu area and major cities in west Japan such as Kyoto-Osaka-Kobe area, Okayama, and Hiroshima.

Also, our new seat reservation service, "e5489", for limited expresses on the internet or by mobile phones became available for the direct services "Mizuho" and "Sakura" from this March, as well as the existing services such as "Nozomi" and "Hikari". In addition to having improved the convenience, we have set prices taking the competition with airlines into account. If you take a return trip with an early reservation discount ticket, for example, it costs 17,000 yen for each way between Shin-Osaka and Kagoshima-Chuo, and 14,400 yen for each way between Shin-Osaka and Kumamoto.

We anticipate 8.5 billion yen of positive impact from these direct services for this fiscal year, but focus our efforts into increase the impact by marketing efforts such as the promotion of tourism. We are going to introduce more new rolling stock and increase the frequency of direct services at the same time as the timetable revision next spring. By these efforts, we are aiming to expand the market share from 9% to 50% between Kyoto-Osaka-Kobe area and Kagoshima, from and 30% to 60% between Kyoto-Osaka-Kobe area and Kumamoto.

## 7. Major Factors of Increase/Decrease in Operating Expenses (Non-consolidated)

(Unit: Billion Yen)

Item	Results for fiscal year ended March 31, 2011			Forecasts for fiscal year ending March 31, 2012		
	YOY		Major factors	YOY		Major factors
	Increase/(Decrease)	%		Increase/(Decrease)	%	
Personnel costs	(29.9)	(11.3)	•Expiration of amortization of net retirement benefits obligation at transition (30.1)	0.6	0.3	•Increase in amortization of accumulated unrecognized actuarial differences due to revision of basic rate of retirement benefits obligation 0.8
Energy costs	0.1	0.4	•Increase in fuel price, etc	3.2	9.7	•Increase in fuel price 2.0 •Increase in train-kilometer 0.9
Maintenance costs	7.7	6.0	•Increase in maintenance work contributed by third parties 2.8 •Increase in removal costs of buildings such as company housing 1.8 •Increase in maintenance costs for structures 1.5, etc.	(2.3)	(1.7)	•Decrease in removal costs of buildings such as company housing (1.7) •Decrease in costs for timetable revision (0.3)
Miscellaneous costs	6.9	4.4	•Increase in payments for other JR companies 2.2 •Increase in sales charge 1.2 •Increase in advertising expenses 1.1 •Increase in system related costs 0.7 etc.	(0.3)	(0.2)	
Taxes	0.4	1.6	•Increase in property taxes, etc.	1.6	5.6	•Increase in property taxes, etc.
Depreciation and amortization	9.1	7.6	•Increase in facilities	13.8	10.8	•Increase in facilities
Total	(5.4)	(0.7)		16.6	2.2	

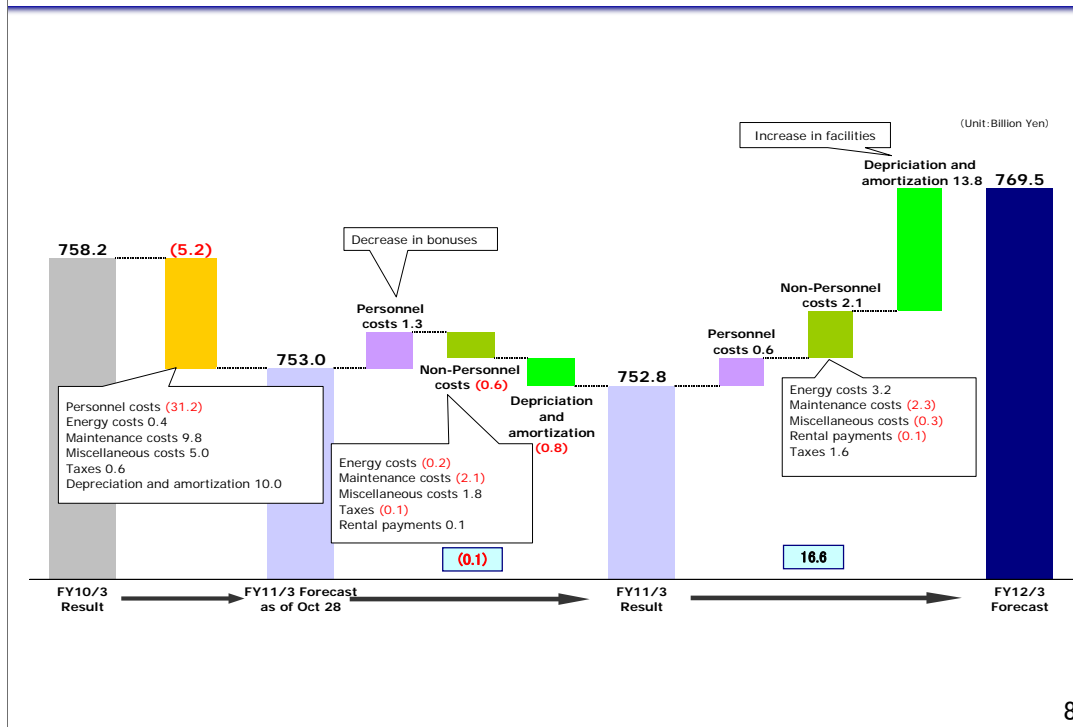
Note: Figures in bracket() are negative values.

7

Non-consolidated operating expenses in the fiscal year ended March 2011 decreased by 5.4 billion yen to 752.8 billion yen.



## 8. Result and Forecast of Operating Expenses (Non-consolidated)



Operating expenses in the fiscal year ending March 2012 are anticipated to increase by 16.6 billion yen to 769.5, as a result of increase in depreciation and amortization due to the high level of capital expenditure in the previous fiscal year, and an increase in energy costs.

In terms of depreciation and amortization, they are expected to decrease next fiscal year, as capital expenditure peaked out from the previous fiscal year and residual value that arose from the change of accounting system in 1997, which has been depreciated by straight-line method over a 5-year period, will no longer be written off from next fiscal year.

## 9. OSAKA STATION CITY - Grand opening on May 4

### Overview of "OSAKA STATION CITY"

**SOUTH GATE BUILDING**

<Existing area>

- HOTEL GRANVIA OSAKA
- DAIMARU Umeda

<Expanded area>

- DAIMARU Umeda (B2F-15F)

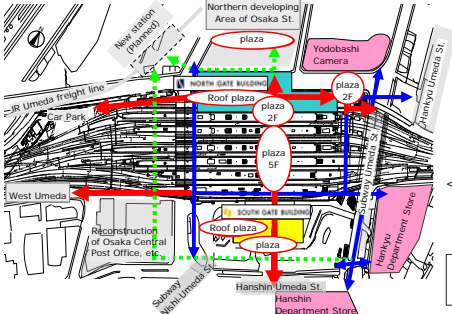
**OSAKA STATION CITY**

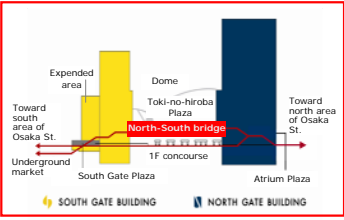


**NORTH GATE BUILDING**

- Office tower (14F-27F)
- LAGUNAVEIL (Restaurant, Wedding: 28F)
- ISETAN MITSUKOSHI (B2F-10F)
- LUCUA (B1F-10F)
- Starbucks (Cinema complex: 11F)
- (Nursery: 11F)
- GRANCISE (Sports club: 12-13F)
- LUCUA DINING eot (10F)

### Improvement of accessibility





<North-South Root>  
Providing easier-to-walk around environment in and around Osaka Station by connecting north and south sides with various plazas and bridges.

→ Existing walkway traffic   
 → Newly constructed walkway traffic   
 → Planned walkway traffic

Regarding "OSAKA STATION CITY", the expanded area of the "South Gate Building" opened on March 16, new entrance and walkways in Osaka station opened on April 11, and the "North Gate Building" is opening on May 4.

The competition among businesses around our Osaka station is supposed to become more severe as a lot of businesses are accumulating there. "JR Osaka Mitsukoshi Isetan", however, has a great advantage in being the first department store with "the ability to introduce fashion" based on "Isetan" and "a sense of culture and art" based on "Mitsukoshi". We also provide first-rate services, such as a luggage keeping service, for members.

The shopping center "LUCUA", which consists of 198 specialty stores, is expected to meet a favorable reception in its uniqueness from customers in Osaka. In fact, about a half of the stores are "the first in Japan", "the first in Kansai region" or "the first in Osaka". The office floors are going to open with no vacancy, having an excellent reputation for the direct access to Osaka station.

As well as competing with other businesses, we are going to focus on making the whole area around Osaka station more attractive by cooperating with them. We believe that Osaka station will become a more attractive well-accumulated shopping area for customers where each department store displays its individuality and easy-to-walk environment is provided with various plazas and bridges.

For example, "TMO committee" centered on JR-West, Hankyu Railway, Hanshin Electric Railway, and Mitsubishi Estate have published a map around Osaka, organized several events, and are providing information about events on the website in cooperation with each other.

We expect the positive impacts of the grand opening of "OSAKA STATION CITY" will be 5.0 billion yen for our transportation business, 55.0 billion yen for retail, and 9.0 billion yen for real estate business for this fiscal year.

## 10. Non-Transportation Business - 1

### Retail business

(Unit: Billion Yen)

	FY10/3 Result	FY11/3 Result	YOY	FY12/3 Forecast	YOY
Operating Revenues*	201.9	201.3	(0.6)	250.3	48.9
Operating Income	3.1	3.5	0.4	(0.5)	(4.0)

\*Operating revenues are the revenues from third parties (= customers).

#### 【Department store】

##### (Opening of JR Osaka Mitsukoshi Isetan)

○Feature:

- First opening store with double name of Mitsukoshi and Isetan
- Sales areas divided by customers' lifestyle and scene
- Car park (Only department store in Osaka providing complimentary service for customers)

○Sales target in the first fiscal year: 55 billion yen

#### 【Sales of goods and food services】

##### (Enhancement of the value of our railway belts)

○Store renewal with improvement of Sannomiya station  
[Constructing period :April 2011 – end of FY12/3]

○Store renewal with improvement of Shin-Osaka station  
[Constructing period :March 2010 – end of FY12/3]

##### (Newly open of business hotel “Via-inn”)

○ “Via-inn Akihabara”

- Open date: March 18, 2011
- Place: about 3 minutes from JR Akihabara station on foot
- Area: approx. 4,800m<sup>2</sup> (25 floors)
- Number of rooms: 284  
(incl. 259 single rooms)

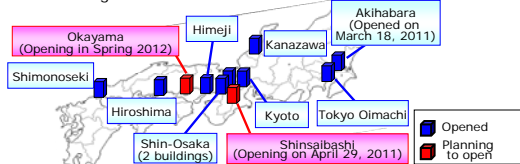


○ “Via-inn Shinsaibashi”

- Open date: April 29, 2011
- Place: about 2 minutes from subway Shinsaibashi station on foot
- Area: approx. 4,900m<sup>2</sup> (12 floors)
- Number of rooms: 205 (incl. 184 single rooms)

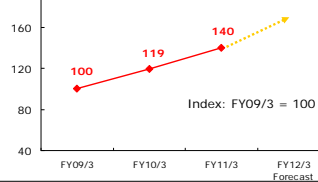


<Marketing area of Via-inn>



Planning to open new hotels along the Tokaido and the Sanyo Shinkansen, such as Tokyo area and Okayama

<Sales trend of Via-inn>



10

In terms of non-transportation business, this explains retail business.

# 11. Non-Transportation Business - 2

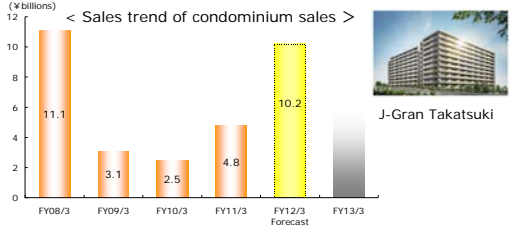
## Real estate business

(Unit: Billion Yen)

	FY10/3 Result	FY11/3 Result	YOY	FY12/3 Forecast	YOY
Operating Revenues*	70.9	75.7	4.8	91.3	15.5
Operating Income	22.5	22.2	(0.2)	24.0	1.7

\*Operating revenues are the revenues from third parties (= customers).

### 【Real estate lease and sale】 (Results and forecasts of condominiums)

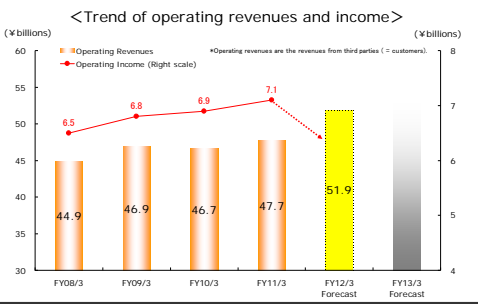


Name	Location	Month of handover	Houses
States-Gran Shukugawa	Nishinomiya, Hyogo	June 2010	35
J-Gran Sumakaihinkoen	Kobe, Hyogo	March 2011	184
J-Gran Abenomatsuzakicho	Abeno, Osaka	July 2011 (Planned)	100
J-Gran Abeno East	Abeno, Osaka	Nov. 2011 (Planned)	86
J-Gran Takatsuki	Takatsuki, Osaka	March 2012 (Planned)	160
J-Gran Suitasenrioka	Suita, Osaka	July 2012 (Planned)	117

### 【Shopping Center】

#### (Opening of LUCUA)

- Feature:
  - Roughly half of total stores are new in Japan, Kansai or Osaka.
  - Common service with JR Osaka Mitsukoshi Isetan  
(Drop off service of baggies and wheel chair, Point service for JRMI Card)
- Sales target of tenants in the first fiscal year: 25 billion yen



This explains real estate business.

## 12. Non-Transportation Business - 3

### Other businesses

(Unit: Billion Yen)

	FY10/3 Result	FY11/3 Result	YOY	FY12/3 Forecast	YOY
Operating Revenues*	119.6	129.9	10.2	117.0	(12.9)
Operating Income	6.7	9.6	2.9	5.8	(3.8)

\*Operating revenues are the revenues from third parties (= customers).

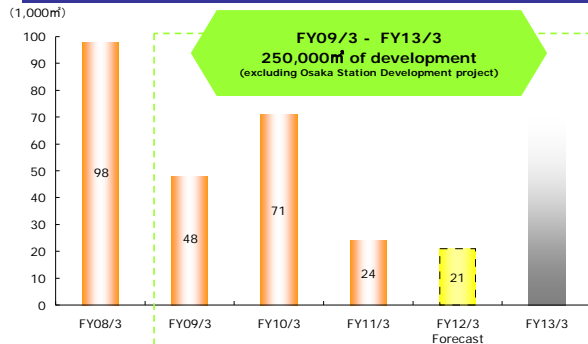
#### 【Hotel business】

Executive rooms on 27<sup>th</sup> floor in Hotel Granvia Osaka

- Opening in spring 2012 (Refurbish from restraint floor)
- 68 rooms (42 twin rooms and 26 double rooms)
- One of the highest class rooms, commemorating the opening of OSAKA STATION CITY and Northern Area of Osaka station.



### Results and Plan for Development in and around Stations



#### (Major projects)

##### Fiscal year ended March 2011

- Development in Nara station (October 2010)
- " PLiE Himeji " (March 2011)
- "Rinto" in Kanazawa (March 2011)

##### Fiscal year ending March 2012

- Via-inn Shinsaibashi (April 29, 2011)
- Development of stores in central concourse in Shin-Osaka station
- Development of stores in Sannomiya station
- Development of the site of former Kyoto Yayoi Kaikan



"Rinto"

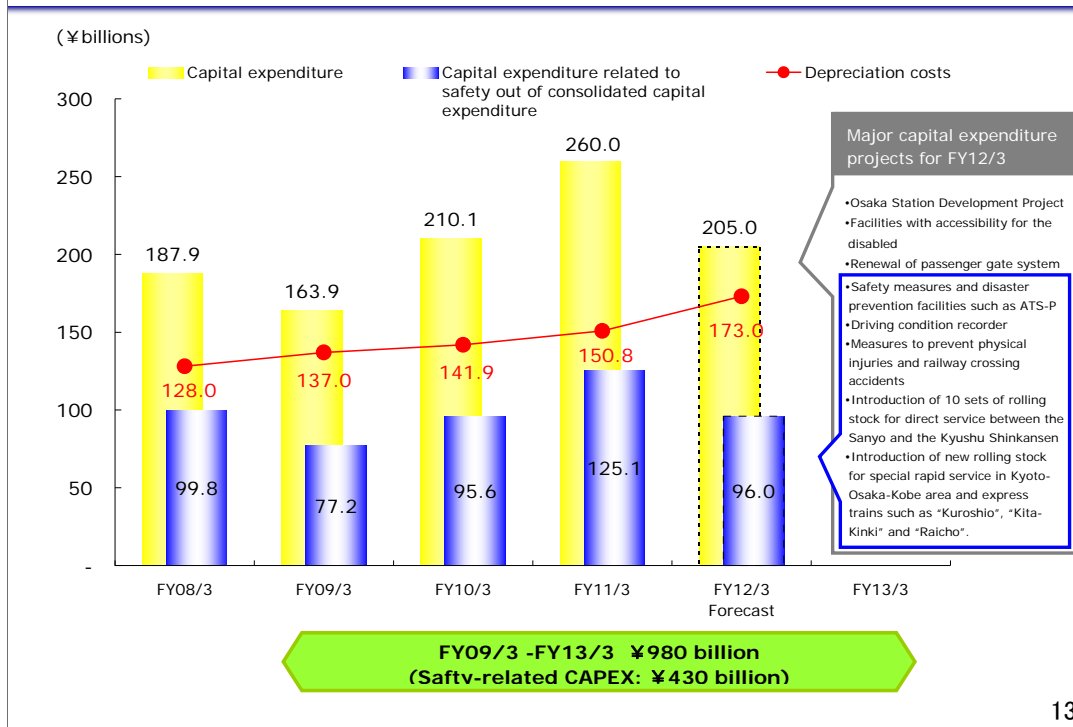


" PLiE Himeji "

12

This explains other businesses.

### 13. Capital Expenditure Plan (Consolidated)

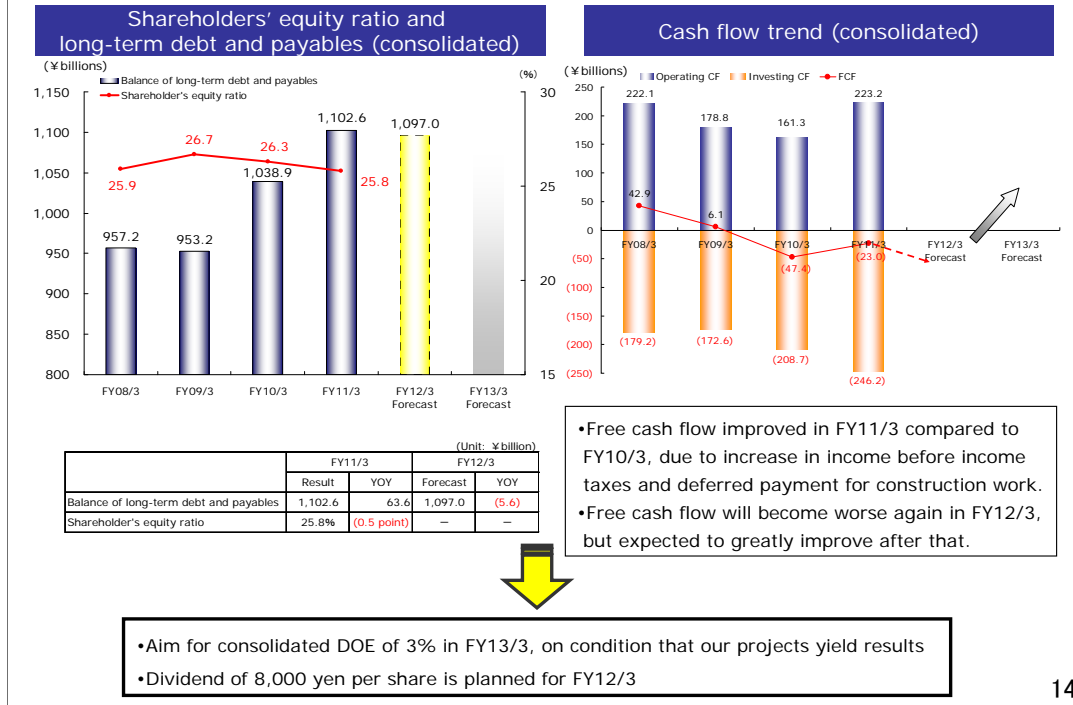


In terms of capital expenditure, the result in the fiscal year ended March 2011 was 260.0 billion yen, including 125.1 billion yen of safety-related investment. This is due to the highest level of investment for two major projects ever and large amounts of safety-related capital expenditure such as introduction of ATS, driving condition recorder, and newly modeled rolling stock. Incidentally, introducing newly modeled rolling stock could also be regarded as expenses for marketing strategy from the view point of making them more attractive, although it is included in safety-related investment.

We are planning 205.0 billion yen of capital expenditure for this fiscal year, taking remaining work for "OSAKA STATION CITY" and introduction of more new rolling stock for direct services between the Sanyo and the Kyushu Shinkansen into account, although the peak of the capital expenditure has passed.

We have not changed the original capital expenditure plan, which determines 980.0 billion yen of investment for 5 years until the fiscal year ending March 2013.

## 14. Finance and Cash Flow Strategies



14

In the fiscal year ended March 2011, free cash flow was negative and long-term debt and payables increased by 63.6 billion yen to 1,102.6 billion yen, because of high level of capital expenditure. The long-term debt and payables at the end of this fiscal year is estimated to be 1,097.0 billion yen.

In terms of return to shareholders, we have not changed the policy to aim for consolidated DOE of 3% in the fiscal year ending March 2013, on condition that our projects yield results. However, we would like to remain the dividend plan for this fiscal year as 8,000 yen per share, taking the current challenging management situation into account.

We do not think that we need to revise the management vision and strategies stated in "Revision of JR-West Group's Medium-Term Management Plan 2008-2012" announced in October 2010. We are also confident that 95.5 billion yen of consolidated operating income in the fiscal year ending March 2013 is achievable.

We currently operate all train services as scheduled with a wide variety of cooperation, even though we had been temporarily forced to halt operations of certain trains due to some difficulties in procuring parts as a result of the Great East Japan Earthquake. We believe that in order to overcome the nationwide crisis caused by this disaster, it is important for us to first focus our efforts on invigorating the west Japan area, which in turn will help revitalize the domestic economy. We anticipate that this will lend strength to their recovery efforts following the earthquake. For this reason, we will redouble our efforts to contribute to the invigoration of the west Japan area through our business activities centered on railways.

Thank you for your attention.

## 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.
- 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 April 2011 based on information available to JR-West as of April 2011 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.