

(Translation)

Company name: **West Japan Railway Company**

President: Takayuki Sasaki

(Code number: 9021 Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya and Fukuoka Stock Exchanges)

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Notice of Variance between Forecasts and Actual Results for the First Half of the Fiscal Year Ending March 2011 (Consolidated and Non-consolidated), and Revision to Full-Year Forecasts (Consolidated and Non-consolidated)

West Japan Railway Company (JR-West)'s results for the first half of the fiscal year ending March 31, 2011, varied from its forecasts released on July 28, 2010 (unchanged from those released on April 28, 2010), on both a consolidated and non-consolidated basis. Details of this variance are as follows.

JR-West has also revised its full-year forecasts (both consolidated and non-consolidated) for the fiscal year ending March 31, 2011.

1. Variance Between Forecasts and Actual Results

(1) Consolidated Forecasts and Actual Results for the Six Months Ended September 30, 2010

	Millions of Yen				Yen
	Operating revenues	Operating income	Recurring profit	Net income	Net income per share
Forecast (A)	587,000	49,000	33,000	19,000	9,811.94
Actual Result (B)	595,631	64,694	49,675	28,762	14,853.61
Change (B-A)	8,631	15,694	16,675	9,762	—
Percent Change (%)	1.5	32.0	50.5	51.4	—
(Reference) Six months ended September 30, 2009	591,033	43,886	27,577	17,125	8,844.12

(2) Non-Consolidated Forecasts and Actual Results for the Six Months Ended September 30, 2010

	Millions of Yen				Yen
	Operating revenues	Operating income	Recurring profit	Net income	Net income per share
Forecast (A)	409,000	43,000	27,000	16,000	8,258.72
Actual Result (B)	414,324	57,002	41,803	24,649	12,723.26
Change (B-A)	5,324	14,002	14,803	8,649	—
Percent Change (%)	1.3	32.6	54.8	54.1	—
(Reference) Six months ended September 30, 2009	410,576	38,583	22,242	14,659	7,566.55

(3) Reason on the Variance

Operating revenues during the subject first half exceeded the previous forecast as a result of efforts to stimulate demand for travel through various campaigns, along with limited impact from the government's expressway toll policy. At the same time, operating expenses fell below initial forecasts due to variation in the implementation of individual expense measures, and other factors. As a result, operating income, recurring profit and net income all exceeded previously announced forecasts.

2. Revision to Forecasts

(1) Consolidated Forecasts for the Year Ending March 31, 2011

	Millions of Yen				Yen
	Operating revenues	Operating income	Recurring profit	Net income	Net income per share
Forecast (A)	1,193,000	78,000	49,000	28,000	14,459.70
Revised Forecast (B)	1,204,500	89,500	60,500	34,500	17,816.42
Change (B-A)	11,500	11,500	11,500	6,500	—
Percent Change (%)	1.0	14.7	23.5	23.2	—
(Reference) Year ended March 31, 2010	1,190,135	76,530	48,106	24,858	12,837.31

(2) Non-Consolidated Forecasts for the Year Ending March 31, 2011

	Millions of Yen				Yen
	Operating revenues	Operating income	Recurring profit	Net income	Net income per share
Forecast (A)	818,000	63,000	35,000	21,000	10,839.57
Revised Forecast (B)	827,000	74,000	46,000	27,500	14,194.67
Change (B-A)	9,000	11,000	11,000	6,500	—
Percent Change (%)	1.1	17.5	31.4	31.0	—
(Reference) Year ended March 31, 2010	816,784	58,503	29,800	20,577	10,621.42

(3) Reasons for the Revision

Full-year earnings forecasts for operating revenues, operating income, recurring profit and net income have all been revised from the previous forecast in consideration of first half results.

Note: Forecasts and other statements in this document were made based on information available at the time of release. Actual results may vary from forecast figures or other projections.

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