

Consolidated Statements of Income

Years ended March 31, 2005, 2004 and 2003

West Japan Railway Company

	Millions of yen	Millions of yen	Millions of yen	Millions of U.S. dollars (Note 1)
	2005	2004	2003	2005
Operating Revenues	¥1,220,847	¥1,215,735	¥1,165,571	\$11,409
Operating Expenses (Note 1 (10)):				
Transportation, other services and cost of sales	880,106	882,886	889,386	8,225
Selling, general and administrative expenses (Note 13)	207,640	205,918	153,548	1,940
	1,087,747	1,088,804	1,042,935	10,165
Operating Income	133,100	126,930	122,636	1,243
Other Income (Expenses):				
Interest and dividend income	330	398	298	3
Interest expense	(42,653)	(45,736)	(49,151)	(398)
Equity in earnings of affiliates	239	1,018	468	2
Reversal of long-term accrued rail usage charges (Note 1 (8))	—	52,797	—	—
Amortization of prior service cost (Note 1 (9))	(715)	(38,669)	—	(6)
Provision of allowance for loss on business reorganization (Note 1 (12))	—	(20,660)	—	—
Other, net	15,109	12,654	3,370	141
	(27,688)	(38,196)	(45,013)	(258)
Income before Income Taxes and Minority Interests	105,411	88,734	77,622	985
Income Taxes (Note 14):				
Current	45,412	49,832	44,453	424
Deferred	(1,424)	(10,033)	(9,934)	(13)
	43,987	39,799	34,519	411
Income before Minority Interests	61,424	48,935	43,102	574
Minority Interests	(2,428)	(1,918)	(1,458)	(22)
Net Income	¥ 58,996	¥ 47,016	¥ 41,644	\$ 551

See accompanying notes to consolidated financial statements.