

Consolidated Statements of Shareholders' Equity

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
Common Stock:				
Balance at beginning and end of the year	¥100,000	¥100,000	¥100,000	\$ 934
Capital Surplus:				
Balance at beginning and end of the year	¥ 55,000	¥ 55,000	¥ 55,000	\$ 514
Retained Earnings:				
Balance at beginning of the year	¥319,491	¥281,695	¥250,513	\$2,985
Add:				
Net income	58,996	47,016	41,644	551
Increase in retained earnings resulting from:				
Initial inclusion of subsidiaries in consolidation	—	926	—	—
Merger of a consolidated and an unconsolidated subsidiary	9	36	—	0
Appropriations:				
Cash dividends	(13,000)	(10,000)	(10,000)	(121)
Bonuses to directors and corporate auditors	(193)	(183)	(151)	(1)
Decrease in retained earnings resulting from:				
Initial inclusion of a subsidiary in consolidation	—	—	(46)	—
Change in ownership ratio of a consolidated subsidiary	—	—	(264)	—
Balance at end of the year	¥365,303	¥319,491	¥281,695	\$3,414
Net Unrealized Holding Gain on Securities:				
Balance at beginning of the year	¥ 5,597	¥ 4,188	¥ 5,966	\$ 52
Net change	(1,216)	1,408	(1,777)	(11)
Balance at end of the year	¥ 4,381	¥ 5,597	¥ 4,188	\$ 40

See accompanying notes to consolidated financial statements.