

Non-Consolidated Balance Sheets

March 31, 2005, 2004 and 2003

West Japan Railway Company

| | Millions of yen 2005 | Millions of yen 2004 | Millions of yen 2003 | Millions of U.S. dollars (Note 1) 2005 |
|--|-------------------------|-------------------------|-------------------------|--|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash | ¥ 36,771 | ¥ 42,746 | ¥ 38,440 | \$ 343 |
| Accounts receivable | 35,892 | 30,607 | 27,138 | 335 |
| Less allowance for doubtful accounts | (183) | (197) | (96) | (1) |
| Inventories (Note 4) | 4,621 | 4,450 | 3,064 | 43 |
| Deferred income taxes (Note 11) | 15,073 | 21,050 | 15,537 | 140 |
| Prepaid expenses and other current assets (Note 3) | 35,795 | 17,070 | 18,046 | 334 |
| Total Current Assets | 127,971 | 115,727 | 102,131 | 1,195 |
| Investments and Advances: | | | | |
| Subsidiaries and affiliates (Note 5) | 134,983 | 138,783 | 134,004 | 1,261 |
| Other securities | 15,155 | 15,755 | 16,233 | 141 |
| | 150,138 | 154,538 | 150,238 | 1,403 |
| Property, Plant and Equipment (Notes 6, 7 and 8): | | | | |
| Railway (Note 9) | 3,694,678 | 3,672,474 | 3,611,080 | 34,529 |
| Ferry | 893 | 886 | 864 | 8 |
| Other operations | 211,919 | 220,076 | 227,602 | 1,980 |
| Construction in progress | 67,825 | 66,876 | 85,149 | 633 |
| | 3,975,316 | 3,960,314 | 3,924,696 | 37,152 |
| Less accumulated depreciation | (2,237,987) | (2,185,406) | (2,131,074) | (20,915) |
| Property, Plant and Equipment, Net | 1,737,329 | 1,774,907 | 1,793,621 | 16,236 |
| Deferred Income Taxes (Note 11) | 61,608 | 54,882 | 51,814 | 575 |
| Other Assets | 21,029 | 26,837 | 19,068 | 196 |
| Total Assets | ¥2,098,076 | ¥2,126,893 | ¥2,116,874 | \$19,608 |

| | Millions of yen | Millions of yen | Millions of yen | Millions of U.S. dollars (Note 1) |
|--|-------------------|-------------------|-------------------|--------------------------------------|
| | 2005 | 2004 | 2003 | 2005 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Current Liabilities: | | | | |
| Short-term loans (Notes 5 and 8) | ¥ 108,978 | ¥ 103,166 | ¥ 66,427 | \$ 1,018 |
| Current portion of long-term debt (Note 8) | 21,476 | 51,026 | 44,976 | 200 |
| Current portion of long-term payables (Notes 5 and 9) | 44,465 | 38,891 | 36,656 | 415 |
| Accounts payable (Note 5) | 105,366 | 98,599 | 99,547 | 984 |
| Prepaid railway fares received | 30,381 | 30,012 | 28,510 | 283 |
| Deposits and advances received | 97,624 | 94,662 | 103,710 | 912 |
| Accrued expenses | 49,961 | 48,697 | 46,410 | 466 |
| Accrued income taxes (Note 11) | 14,591 | 23,268 | 20,410 | 136 |
| Accrued repair costs for elevated railroads of the Sanyo Shinkansen Line (Note 6) | — | — | 3,616 | — |
| Allowance for loss on business reorganization (Note 1 (8)) | — | 21,210 | — | — |
| Other current liabilities | 2,650 | 7,373 | 3,915 | 24 |
| Total Current Liabilities | 475,495 | 516,909 | 454,180 | 4,443 |
| Long-Term Debt (Note 8) | 426,645 | 408,221 | 429,947 | 3,987 |
| Long-Term Payables (Notes 5 and 9) | 521,627 | 565,873 | 604,617 | 4,875 |
| Long-Term Accrued Rail Usage Charges (Note 1 (5)) | — | — | 46,817 | — |
| Accrued Retirement Benefits | 181,718 | 191,647 | 165,583 | 1,698 |
| Other Long-Term Liabilities | 18,275 | 4,861 | 4,983 | 170 |
| Contingent Liabilities (Note 14) | | | | |
| Shareholders' Equity (Notes 13 and 16): | | | | |
| Common stock: | | | | |
| Authorized—8,000,000 shares; | | | | |
| Issued and outstanding—2,000,000 shares | 100,000 | 100,000 | 100,000 | 934 |
| Capital surplus | 55,000 | 55,000 | 55,000 | 514 |
| Retained earnings | 315,492 | 280,588 | 253,513 | 2,948 |
| Net unrealized holding gain on securities | 3,822 | 3,792 | 2,232 | 35 |
| Total Shareholders' Equity | 474,315 | 439,381 | 410,745 | 4,432 |
| Total Liabilities and Shareholders' Equity | ¥2,098,076 | ¥2,126,893 | ¥2,116,874 | \$19,608 |

See accompanying notes to non-consolidated financial statements.