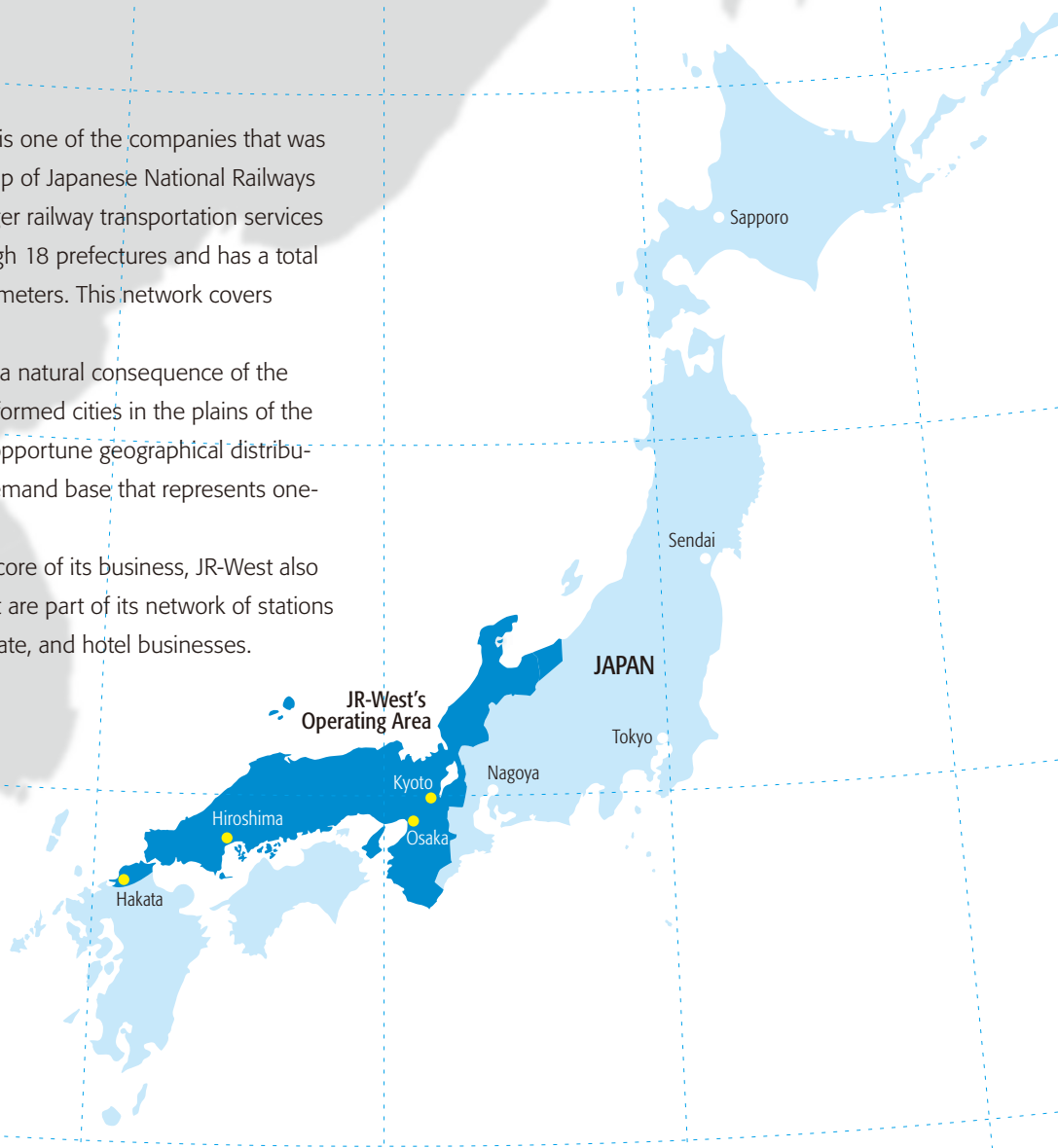


Profile

West Japan Railway Company (JR-West) is one of the companies that was formed upon the privatization and split-up of Japanese National Railways (JNR) in 1987. JR-West provides passenger railway transportation services on a network of lines that extends through 18 prefectures and has a total route length of approximately 5,000 kilometers. This network covers around one-fifth of Japan's land area.

Railway systems in Japan evolved as a natural consequence of the large populations that accumulated and formed cities in the plains of the country. Joined like links in a chain, the opportune geographical distribution of these cities has created a solid demand base that represents one-fourth of domestic passenger volume.

While railway operations remain the core of its business, JR-West also aims to make the most of the assets that are part of its network of stations and railways to develop its retail, real estate, and hotel businesses.



CONTENTS

01	JR-West at a Glance
02	Consolidated Financial Highlights
03	Non-Consolidated Financial Highlights
04	A Message from the Management
06	Measures to Improve Safety
08	New Corporate Philosophy and Safety Charter
09	Business Overview (Consolidated Basis)
18	Organizational Structure
19	Financial Section
19	Consolidated Six-Year Summary
20	Management's Discussion and Analysis of Operations (Consolidated Basis)
22	Consolidated Balance Sheets
24	Consolidated Statements of Income
25	Consolidated Statements of Shareholders' Equity
26	Consolidated Statements of Cash Flows
27	Notes to Consolidated Financial Statements
43	Report of Independent Auditors
44	Non-Consolidated Balance Sheets
46	Non-Consolidated Statements of Income
47	Non-Consolidated Statements of Shareholders' Equity
48	Notes to Non-Consolidated Financial Statements
57	Report of Independent Auditors
58	Analysis of JR-West Operations
59	Investor Information
60	Consolidated Subsidiaries
62	Board of Directors and Corporate Auditors
62	Executive Officers
63	Corporate Data

CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS

This annual report 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;
- earthquake and other natural disaster risks; and
- failure of computer telecommunications systems disrupting railway or other operations.

All forward-looking statements in this annual report are made as of June 23, 2006, based on information available to JR-West as of the date June 23, 2006, and JR-West does not undertake to update or revise any of its forward-looking statements or reflect future events or circumstances.