

Correction to Notes to the Financial Section of Annual Report 2012

West Japan Railway Company has submitted a report of corrections to certain items of its annual securities report for the year ended March 31, 2012. Accordingly, the notes to the financial section of Annual Report 2012 have been revised as follows.

[Correction]

Notes to the financial section of Annual Report 2012

P63 8 Investment and Rental Properties

The corrected sections are indicated with an underline.

(Before correction)

The Company and certain consolidated subsidiaries own office buildings for lease, commercial facilities including lands and rental housing, mainly in Osaka Prefecture and other areas.

Rental income, net of related expenses relevant to these real estate properties amounted to ¥37,613 million (\$458 million), ¥25,290 million and ¥26,085 million for the years ended March 31, 2012, 2011 and 2010, respectively. The rental income is recorded under operating revenues or other income and the rental expenses are recorded under operating expenses or other expenses.

The carrying value in the consolidated balance sheets and corresponding fair value of those properties as of March 31, 2012, 2011 and 2010 are as follows:

Millions of yen

2012			
Carrying value			Fair value
As of April 1, 2011	Net change	As of March 31, 2012	As of March 31, 2012
¥ <u>142,575</u>	¥ <u>9,367</u>	¥ <u>151,942</u>	¥ <u>335,608</u>

Millions of yen

2011			
Carrying value			Fair value
As of April 1, 2010	Net change	As of March 31, 2011	As of March 31, 2011
¥ <u>114,979</u>	¥ <u>27,596</u>	¥ <u>142,575</u>	¥ <u>287,977</u>

Millions of yen

2010			
Carrying value		Fair value	
As of April 1, 2009	Net change	As of March 31, 2010	As of March 31, 2010
¥ 104,218	¥ 10,760	¥ 114,979	¥ 225,333

Millions of U.S. dollars

2012			
Carrying value		Fair value	
As of April 1, 2011	Net change	As of March 31, 2012	As of March 31, 2012
\$ 1,738	\$ 114	\$ 1,852	\$ 4,092

Notes: 1 The carrying value represents the acquisition cost less accumulated depreciation and cumulative impairment loss.

2 The components of net change in carrying value for the years ended March 31, 2012, 2011 and 2010 included increases mainly due to acquisitions of real estate properties in the amount of ¥23,696 million (\$288 million), ¥32,216 and ¥17,353 million and decreases mainly due to depreciation in the amount of ¥7,719 million (\$94 million), ¥4,353 and ¥5,052 million, respectively.

3 The fair value of main properties is estimated in accordance with appraisal standards for valuing real estate. The fair value of the others is based on book value or a valuation amount that reasonably reflects market value.

(After correction)

The Company and certain consolidated subsidiaries own office buildings for lease, commercial facilities including lands and rental housing, mainly in Osaka Prefecture and other areas.

Rental income, net of related expenses relevant to these real estate properties amounted to ¥38,375 million (\$467 million), ¥31,031 million and ¥26,085 million for the years ended March 31, 2012, 2011 and 2010, respectively. The rental income is recorded under operating revenues or other income and the rental expenses are recorded under operating expenses or other expenses.

The carrying value in the consolidated balance sheets and corresponding fair value of those properties as of March 31, 2012, 2011 and 2010 are as follows:

Millions of yen

2012			
Carrying value		Fair value	
As of April 1, 2011	Net change	As of March 31, 2012	As of March 31, 2012
¥ 137,863	¥ 9,186	¥ 147,049	¥ 368,822

Millions of yen

2011			
Carrying value		Fair value	
As of April 1, 2010	Net change	As of March 31, 2011	As of March 31, 2011
¥ <u>111,803</u>	¥ <u>26,059</u>	¥ <u>137,863</u>	¥ <u>332,053</u>

Millions of yen

2010			
Carrying value		Fair value	
As of April 1, 2009	Net change	As of March 31, 2010	As of March 31, 2010
¥ 104,218	¥ 10,760	¥ 114,979	¥ 225,333

Millions of U.S. dollars

2012			
Carrying value		Fair value	
As of April 1, 2011	Net change	As of March 31, 2012	As of March 31, 2012
\$ <u>1,681</u>	\$ <u>112</u>	\$ <u>1,793</u>	\$ <u>4,497</u>

Notes: 1 The carrying value represents the acquisition cost less accumulated depreciation and cumulative impairment loss.

2 The components of net change in carrying value for the years ended March 31, 2012, 2011 and 2010 included increases mainly due to acquisitions of real estate properties in the amount of ¥23,165 million (\$282 million), ¥46,812 and ¥17,353 million and decreases mainly due to depreciation in the amount of ¥7,662 million (\$93 million), ¥4,246 and ¥5,052 million, respectively.

3 The fair value of main properties is estimated in accordance with appraisal standards for valuing real estate. The fair value of the others is based on book value or a valuation amount that reasonably reflects market value.