June 23, 2017
West Japan Railway Company

Correction to Notes to the Financial Section of Annual Report 2013

West Japan Railway Company has submitted a report of corrections to certain items of its annual securities report for the year ended March 31, 2013. Accordingly, the notes to the financial section of Annual Report 2013 have been revised as follows.

[Correction]
Notes to the financial section of Annual Report 2013
P64 10 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 ¥38,902 million ($413 million) and ¥37,613 million for the years ended March 31, 2013 and 2012, 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, 2013 and 2012 are as follows:

Millions of yen

2013			
Carrying value			Fair value
As of April 1, 2012	Net change	As of March 31, 2013	As of March 31, 2013
¥ 151,942	¥ 10,048	¥ 161,991	¥ 348,163

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
¥ 142,575	¥ 9,367	¥ 151,942	¥ 335,608

			Millions of U.S. dollars
			2013
Carrying value			Fair value
As of April 1, 2012	Net change	As of March 31, 2013	As of March 31, 2013
$ 1,616	$ 106	$ 1,723	$ 3,703

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, 2013 and 2012 included increases mainly due to acquisitions of real estate properties in the amounts of ¥17,967 million ($191 million) and ¥23,696 million and decreases mainly due to depreciation in the amounts of ¥7,336 million ($78 million) and ¥7,719 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 ¥39,538 million ($420 million) and ¥38,375 million for the years ended March 31, 2013 and 2012, 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, 2013 and 2012 are as follows:

			Millions of yen
			2013
Carrying value			Fair value
As of April 1, 2012	Net change	As of March 31, 2013	As of March 31, 2013
¥ 147,049	¥ 9,819	¥ 156,868	¥ 388,917

			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 U.S. dollars

2013			
Carrying value			Fair value
As of April 1, 2012	Net change	As of March 31, 2013	As of March 31, 2013
$ 1,564	$ 104	$ 1,668	$ 4,137

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, 2013 and 2012 included increases mainly due to acquisitions of real estate properties in the amounts of ¥17,711 million ($188 million) and ¥23,165 million and decreases mainly due to depreciation in the amounts of ¥7,299 million ($77 million) and ¥7,662 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.