

Correction to Notes to the Financial Section of Annual Report 2015

West Japan Railway Company has submitted a report of corrections to certain items of its annual securities report for the year ended March 31, 2015. Accordingly, the notes to the financial section of Annual Report 2015 have been revised as follows.

[Correction]

Notes to the financial section of Annual Report 2015

P73 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 ¥38,697 million (\$322 million) and ¥38,439 million for the years ended March 31, 2015 and 2014, 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 sheet and corresponding fair value of those properties as of March 31, 2015 and 2014 are as follows:

Millions of yen

			2015
Carrying value		Fair value	
As of April 1, 2014	Net change	As of March 31, 2015	As of March 31, 2015
¥ <u>159,833</u>	¥ <u>6,376</u>	¥ <u>166,209</u>	¥ <u>360,473</u>

Millions of yen

			2014
Carrying value		Fair value	
As of April 1, 2013	Net change	As of March 31, 2014	As of March 31, 2014
¥ <u>161,991</u>	¥ <u>(2,157)</u>	¥ <u>159,833</u>	¥ <u>344,475</u>

Millions of U.S. dollars

2015			
Carrying value			Fair value
As of April 1, 2014	Net change	As of March 31, 2015	As of March 31, 2015
\$ <u>1,331</u>	\$ <u>53</u>	\$ <u>1,385</u>	\$ <u>3,003</u>

- Notes: 1. The carrying value represents the acquisition cost less accumulated depreciation and accumulated impairment loss.
2. The components of net change in carrying value for the years ended March 31, 2015 and 2014 included increases mainly due to acquisitions of real estate properties in the amounts of ¥15,009 million (\$125 million) and ¥9,751 million and decreases mainly due to depreciation in the amounts of ¥7,525 million (\$62 million) and ¥8,501 million, respectively.
3. The fair value of main properties is estimated in accordance with appraisal standards for valuing real estate properties. The fair value of the others is based on carrying 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 ¥38,874 million (\$323 million) and ¥38,520 million for the years ended March 31, 2015 and 2014, 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 sheet and corresponding fair value of those properties as of March 31, 2015 and 2014 are as follows:

Millions of yen

2015			
Carrying value			Fair value
As of April 1, 2014	Net change	As of March 31, 2015	As of March 31, 2015
¥ <u>154,692</u>	¥ <u>6,402</u>	¥ <u>161,094</u>	¥ <u>404,754</u>

Millions of yen

2014			
Carrying value			Fair value
As of April 1, 2013	Net change	As of March 31, 2014	As of March 31, 2014

	¥ <u>156,868</u>	¥ <u>(2,176)</u>	¥ <u>154,692</u>	¥ <u>388,917</u>
	Millions of U.S. dollars			
	2015			
	Carrying value		Fair value	
	As of April 1, 2014	Net change	As of March 31, 2015	As of March 31, 2015
	\$ <u>1,289</u>	\$ <u>53</u>	\$ <u>1,342</u>	\$ <u>3,372</u>

- Notes: 1. The carrying value represents the acquisition cost less accumulated depreciation and accumulated impairment loss.
2. The components of net change in carrying value for the years ended March 31, 2015 and 2014 included increases mainly due to acquisitions of real estate properties in the amounts of ¥14,733 million (\$122 million) and ¥7,553 million and decreases mainly due to depreciation in the amounts of ¥7,537 million (\$62 million) and ¥8,463 million, respectively.
3. The fair value of main properties is estimated in accordance with appraisal standards for valuing real estate properties. The fair value of the others is based on carrying value or a valuation amount that reasonably reflects market value.