

### Correction to Notes to the Consolidated Financial Statements for the Year Ended March 2016

West Japan Railway Company has submitted a report of corrections to certain items of its annual securities report for the year ended March 31, 2016. Accordingly, the notes to the consolidated financial statements for the year ended March 31, 2016, have been revised as follows.

[Correction]

- Notes to the consolidated financial statements for the year ended March 31, 2016  
P20 9. 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 ¥43,678 million (\$389 million) and ¥38,697 million for the years ended March 31, 2016 and 2015, 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, 2016 and 2015 are as follows:

<i>Millions of yen</i>			
2016			
Carrying value			Fair value
As of April 1, 2015	Net change	As of March 31, 2016	As of March 31, 2016
¥ <u>166,209</u>	¥ <u>32,904</u>	¥ <u>199,114</u>	¥ <u>423,325</u>

<i>Millions of yen</i>			
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 U.S. dollars*

2016			
Carrying value		Fair value	
As of April 1, 2015	Net change	As of March 31, 2016	As of March 31, 2016
\$ <u>1,484</u>	\$ <u>293</u>	\$ <u>1,777</u>	\$ <u>3,779</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, 2016 and 2015 included increases mainly due to acquisitions of real estate properties in the amounts of ¥44,803 million (\$400 million) and ¥15,009 million and decreases mainly due to depreciation in the amounts of ¥9,399 million (\$83 million) and ¥7,525 million, respectively.

3. The fair value of the main real estate properties is estimated in accordance with appraisal standards for valuing real estate. The fair value of the other real estate properties is based on the carrying value or a different valuation method because those values are considered to reasonably reflect the fair 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 ¥43,201 million (\$385 million) and ¥38,874 million for the years ended March 31, 2016 and 2015, 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, 2016 and 2015 are as follows:

*Millions of yen*

2016			
Carrying value		Fair value	
As of April 1, 2015	Net change	As of March 31, 2016	As of March 31, 2016
¥ <u>161,094</u>	¥ <u>31,452</u>	¥ <u>192,547</u>	¥ <u>481,083</u>

*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 U.S. dollars*

2016			
Carrying value		Fair value	
As of April 1, 2015	Net change	As of March 31, 2016	As of March 31, 2016
\$ <u>1,438</u>	\$ <u>280</u>	\$ <u>1,719</u>	\$ <u>4,295</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, 2016 and 2015 included increases mainly due to acquisitions of real estate properties in the amounts of ¥42,965 million (\$383 million) and ¥14,733 million and decreases mainly due to depreciation in the amounts of ¥9,357 million (\$83 million) and ¥7,537 million, respectively.
3. The fair value of the main real estate properties is estimated in accordance with appraisal standards for valuing real estate. The fair value of the other real estate properties is based on the carrying value or a different valuation method because those values are considered to reasonably reflect the fair value.