

May 21, 2001

West Japan Railway Company

Flash Report (Consolidated and Non-Consolidated Basis)

Results for the year ended March 31, 2001

FLASH REPORT (CONSOLIDATED BASIS)

Company name: West Japan Railway Company

Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya and Fukuoka Stock Exchanges

Code number: 9021

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Date for Convening the Board of Directors Meeting for the Settlement of Accounts: May 18, 2001

U.S. accounting standard: not applied

1. Results for fiscal 2001 (April 1, 2000 to March 31, 2001)

(1) Operating results

(Figures less than ¥1 million have been omitted)

	Operating revenues (% change from the previous year)		Operating income (% change from the previous year)		Recurring profit (% change from the previous year)	
	Millions of yen		Millions of yen		Millions of yen	
Fiscal 2001	1,195,516	(0.4)	111,877	(3.8)	56,059	(17.7)
Fiscal 2000	1,191,009	(-1.2)	107,758	(-8.6)	47,628	(-7.9)

	Net income (% change from the previous year)		Net income per share	Net income per share after dilution	Return on equity	Recurring profit-to-total capital ratio	Recurring profit-to-operating revenues ratio
	Millions of yen		Yen	Yen	%	%	%
Fiscal 2001	30,961	(23.4)	15,480.62		8.1	2.2	4.7
Fiscal 2000	25,091	()	12,545.62		7.6	1.9	4.0

Notes: 1. Gain/(loss) on investment in subsidiaries recorded using the equity accounting method:

Year ended March 31, 2001: ¥228 million

Year ended March 31, 2000: ¥514 million

2. Average number of shares outstanding during fiscal years:

Fiscal 2001: 2,000,000 shares

Fiscal 2000: 2,000,000 shares

3. There were no changes in accounting methods.

4. Percentages indicate year-on-year increase/(decrease) in operating revenues, operating income, recurring profit, and net income.

(2) Financial position

	Total assets	Total shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2001	2,576,301	413,645	16.1	206,822.51
Fiscal 2000	2,561,095	348,847	13.6	174,423.63

(3) Cash flows

	Operating activities	Investing activities	Financing activities	Cash at end of the six months
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal 2001	138,784	9,403	-133,297	143,781
Fiscal 2000	154,790	-99,277	-66,597	128,891

(4) Number of subsidiaries and affiliates

Consolidated subsidiaries: 64

Unconsolidated subsidiaries: 0

Affiliates accounted for by the equity method: 5

(5) Changes in the scope of consolidation

There was no inclusion nor exclusion of consolidated subsidiaries.

There was no inclusion nor exclusion of affiliated companies accounted for by the equity method.

2. Forecast for fiscal 2002 (April 1, 2001 to March 31, 2002)

	Operating revenues	Recurring profit	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim period	595,000	40,000	52,500
Fiscal year	1,191,000	56,000	60,500

(Reference) Consolidated net income per share for the fiscal year is forecast to be ¥30,250.00.

(1) BASIC MANAGEMENT POLICIES

1. Management Policy

The West Japan Railway Company (JR-West) Group engages primarily in railway operations, with complementary operations in sales of goods and real estate undertaken with the respective aims of providing services primarily to the Group's railway users and making effective use of its assets in and around its railway stations.

In the execution of these various operations and in line with basic management policy, companies within the Group have consistently worked toward optimal use of respective managerial resources and enhanced competitive strength in their respective markets. At the same time, they have steadily pursued the ongoing reinforcement of their operating structures by undertaking focused and effective capital investments and the reconfiguring of administrative systems for increased efficiency.

The Group will continue to fortify its operating structures to cope with today's difficult operating environment while accurately identifying market trends. Toward this purpose, it will implement all possible measures to achieve optimal use of management resources and enhance competitive strength to further bolster its operating structures and raise the sales and profit levels of the Group as a whole.

2. Basic Policy Regarding the Distribution of Profits

The Group's basic policy is to make stable dividend payments while securing adequate internal capital resources to maintain a management foundation that is capable of supporting stable, long-term growth.

3. Changes to Management Structure

The Company has instituted a number of important measures designed to further strengthen its management structure. These include the appointment of external managing directors, with the aim of revitalizing the Board of Directors, and the introduction of an executive officer system, under which management decision-making processes and administrative executive functions are carried out separately. Aiming to enhance management transparency, the Company is aggressively promoting information disclosure, primarily through investor relations activities.

4. Management Issues

The operating environment surrounding the JR-West Group is expected to remain challenging. The negative effect of a stagnant Japanese economy is being exacerbated by such factors as a gradual decline in the size of Japan's labor force and intensifying competition from rival transportation operators.

As a Group, we aim to cope with this environment by providing outstanding quality goods and services that take into account demographic trends and are tailored to the needs of our customers. At the same time, we are steadily implementing ongoing structural reforms, which will positively impact both our earnings and costs.

As we move closer toward realizing complete privatization in compliance with the basic framework of the Japanese government's initiative to reform Japanese National Railways (JNR), we are striving to create a structure for a tough corporate constitution, one that will enable us to better respond to the expectations of our customers and shareholders. Additionally, we are taking steps to secure a solid Group management system; toward this end, we will set management targets for each business segment as a means of strengthening our earning power.

To ensure safe and stable transport in our core railway services, we will continue to carry forward effective initiatives designed to elevate the skill levels of all employees and take the necessary steps required to maintain our railway infrastructure. We are also pursuing expansion in sales and profits by providing products and services of ever higher

quality. As an example, we are taking various steps to raise the quality and cost-competitiveness of the high-speed transportation services provided by our train fleet, including 500 Series and 700 Series *Nozomi* and *Hikari Rail Star* trains. We are also continuing to fortify our operating structures in this segment by promoting even greater efficiency in administrative operations and changes in overhead cost structure.

In our travel business, we are facing a rapidly changing market. To respond to the diversifying needs of our customers as well as strengthen our management base, we are continuing with our preparations for the alliance between our TiS Headquarters and Nippon Travel Agency Co., Ltd., and Kinki Nippon Tourist Co., Ltd.

Meanwhile, in our sales of goods and other businesses, we will strive to expand sales and profits for the Group as a whole by seeking enhanced competitive strength. This goal will be pursued through the development of management systems for each sector to achieve optimal use of the Group's assets. We are also pursuing the development of new areas of business that match market changes as well as such evolving user needs as information-related business and are targeted at enhancing the added value of our railways.

(2) PERFORMANCE HIGHLIGHTS

Although a slight improvement in private-sector capital investment and a favorable employment situation suggested initial signs of an economic recovery, the Japanese economy ultimately remained sluggish, largely due to continued weak consumer spending. Against this backdrop, Group companies took a variety of steps to realize higher earnings and stable profits, particularly in core railway services, to reinforce their financial structures.

As a result, the Group achieved the following consolidated results in fiscal 2001: operating revenues of ¥1,195.5 billion, up 0.4% year on year; operating income of ¥111.8 billion, up 3.8%, recurring profit of ¥56.0 billion, up 17.7%, and net income after taxes of ¥30.9 billion, up 23.4%.

1. Results by Business Segment (Consolidated Basis)

(1) Transportation Services

We have increased the frequency of the highly popular *Hikari Rail Star* train on the Sanyo Shinkansen Line and augmented this move with an aggressive advertising campaign. As for conventional lines, we commenced operations of a new station in our Urban Network, which links Kyoto, Osaka, and Kobe; Universal-City Station, on the JR Yumesaki Line, now serves as a gateway to Universal Studios Japan (USJ). For access transportation, we introduced a direct train from the Osaka Loop Line and established a shuttle train on the JR Yumesaki Line. On the Sagano Line, we completed double-track operations between Nijo and Hanazono stations and opened the new Emmachi Station. We have also started operating new rapid trains during the morning rush and daytime hours. Along with the completion of double-track operations on the Nara Line between Kyoto and JR Fujimori and between Uji and Nitta, as well as the opening of the JR Ogura Station, we increased the number of rapid trains to improve convenience and are also expanding our intercity transportation service. On the Hokuriku Main Line, by investing in newly manufactured rolling stock, thereby increasing the number of *Thunderbird* limited express trains, we have been able to reduce travel times between major cities and improve service frequency.

In our bus operations, use of regular buses remains sluggish while use of chartered buses has declined due to intensifying competition. We took measures to enhance user convenience by expanding our network of high-speed bus lines with the establishment of new routes between Shimonoseki and Tokyo as well as Okayama and Osaka. Despite these efforts, operating revenue for Transportation Services fell 0.3%, to ¥879.2 billion,

and operating income dropped 0.1%, to ¥86.6 billion.

(2) Sales of Goods and Food Services

In addition to opening Daily-In mini-convenience stores in Osaka Station and other stations, we are making efforts to expand our businesses in station buildings. We are also pursuing such new businesses as the Daily Station Drug Store that opened beneath the overhead tracks on the western side of Osaka Station. Thanks to the favorable earnings of the JR Kyoto Isetan Department Store in our Kyoto Station Building complex and the reorganization of our sales subsidiaries providing goods and food services, we have been able to reduce operating costs. As a result, operating revenue in the sector rose 5.9%, to ¥218.7 billion, while operating income increased 77.2%, to ¥3.8 billion.

In tandem with the changes in the business segments of subsidiaries implemented during the first half of the fiscal year, some subsidiaries have been absorbed into other segments. Accordingly, we have changed the segment title from “Sales of Goods” to “Sales of Goods and Food Services” in reference to such operations.

(3) Real Estate

During the period, Kokura Himawari Street, a shopping center at Kokura Station on the Sanyo Shinkansen Line, commenced operations. Furthermore, the Company achieved more effective property utilization as a result of the leasing of property located in front of the new Universal-City Station. We succeeded in expanding operations by attracting such new tenants as personal computer retailer Sofmap to join the shops in the shopping area beneath the overhead tracks on the west side of Osaka Station, and casual-wear retailer UniQlo to the Sumiyoshi Terminal Building. As a result, operating revenue decreased 1.0%, to ¥67.8 billion, and operating income rose 0.3%, to ¥13.3 billion. A portion of operations of several subsidiaries formerly subsumed under the sales of goods segment were newly shifted to this segment.

(4) Other Businesses

Amid the ongoing slump in consumer spending, the JR-West Group implemented comprehensive cost-reduction measures and pursued a variety of strategies to boost revenues from Other Businesses, which includes hotels, advertising agency services, and construction services. As a result, operating revenue rose 0.5% from the previous fiscal year, to ¥176.5 billion, and operating income increased 27.6%, to ¥8.1 billion. A portion of operations of several subsidiaries formerly subsumed under other segments were newly shifted to this segment.

Note: In light of the changes effected to segment titles and business segments, fiscal 2001 figures have been retroactively revised to enable meaningful year-on-year comparisons.

2. Forecast for Fiscal 2002

The operating environment surrounding the JR-West Group is expected to remain challenging, given the stagnant prospects of the Japanese economy, the shrinking working population, and intensifying competition with rival transportation operators.

Amid this challenging environment, the Group is aiming to make optimal use of assets, including all station buildings and shopping areas beneath the overhead tracks, while striving to create the optimal management structure for each business segment. We are examining the recent changes to accounting standards and seeking an appropriate response, so as to enhance the competitiveness of the Group as a whole and maximize consolidated earnings.

Consolidated results forecast for the year is as follows:

Operating revenue	¥	1,191.0 billion
Operating income	¥	108.5 billion
Recurring profit	¥	56.0 billion
Net income	¥	60.5 billion

CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

	Millions of yen		
	2001	2000	Change from the previous year
ASSETS			
Current assets:			
Cash	92,557	82,290	10,267
Trade notes receivable	13,845	12,664	1,181
Railway fares receivable	18,774	11,749	7,025
Accounts receivable	16,900	17,794	-893
Income tax receivable	118	233	-114
Marketable securities	47,610	37,994	9,616
Inventory	12,267	12,717	-449
Deferred tax assets	7,718	10,540	-2,822
Other current assets	44,664	39,754	4,909
Less allowance for doubtful accounts	-209	-259	49
Total current assets	254,248	225,479	28,768
Fixed assets:			
Property, plant and equipment:	2,114,557	2,163,177	-48,620
Buildings	1,124,828	1,169,203	-44,375
Machinery, equipment and transport equipment	224,958	233,698	-8,740
Land	681,379	681,661	-281
Construction in progress	47,869	41,914	5,954
Other property, plant and equipment	35,521	36,699	-1,177
Intangible fixed assets	8,451	9,312	-860
Investments and other assets:	198,815	162,685	36,129
Investment securities	146,586	85,944	60,641
Contribution to a welfare annuity	8,682	17,364	-8,682
Deferred tax assets	19,052	32,087	-13,035
Other investments and assets	24,793	27,353	-2,560
Less allowance for doubtful accounts	-299	-64	-234
Total fixed assets	2,321,824	2,335,176	-13,351
Deferred assets	228	439	-211
Total assets	2,576,301	2,561,095	15,205

CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

	Millions of yen		
	2001	2000	Change from the previous year
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Trade notes payable	39,431	37,036	2,395
Short-term loans	13,876	14,365	-488
Current portion of long-term debt	72,160	39,966	32,194
Current portion of redemption of bonds	—	14,960	-14,960
Current portion of long-term payables to acquisition of railway facilities	34,772	33,765	1,006
Accounts payable	81,541	78,158	3,383
Accrued consumption tax	8,810	5,670	3,139
Accrued income tax	19,856	31,903	-12,047
Railway deposits received	8,132	4,134	3,997
Deposits received	36,092	34,901	1,190
Prepaid railway fares received	28,751	29,095	-343
Advances received	67,830	61,757	6,072
Deferred tax liabilities	7	—	7
Less allowance for bonuses	40,999	42,358	-1,358
Reserve for compensation of completion of construction	38	38	0
Other current liabilities	27,551	28,238	-686
Total current liabilities	479,853	456,349	23,504
Long-term liabilities:			
Bonds	200,000	200,000	—
Long-term debt	358,652	455,523	-96,871
Long-term payables for acquisition of railway facilities	720,076	754,758	-34,681
Long-term payables for leased railway facilities	33,338	—	33,338
Deferred tax liabilities	3,000	—	3,000
Accrued severance and retirement benefits	—	204,838	-204,838
Retirement allowances for employees	231,112	—	231,112
Consolidation adjustment	364	1,578	-1,214
Other long-term liabilities	120,148	123,986	-3,838
Total long-term liabilities	1,666,692	1,740,685	-73,993
Total liabilities	2,146,546	2,197,035	-50,489
Minority interest	16,110	15,213	896
Shareholders' equity			
Capital stock	100,000	100,000	—
Capital surplus	55,000	55,000	—
Consolidated retained earnings	214,990	193,847	21,142
Evaluation differences on other securities	43,654	—	43,654
Total shareholders' equity	413,645	348,847	64,797
Total liabilities, minority interest, and shareholders' equity	2,576,301	2,561,095	15,205

CONSOLIDATED STATEMENTS OF INCOME

(Figures less than ¥1 million have been omitted)

	Millions of yen		
	2001	2000	Change from the previous year
Operating revenues	1,195,516	1,191,009	4,507
Operating expenses:			
Transportation and other services and cost of sales	918,754	941,780	-23,026
Selling, general and administrative expenses	164,884	141,469	23,414
	1,083,638	1,083,250	388
Operating income	111,877	107,758	4,119
Nonoperating revenues:			
Interest	652	353	298
Dividend	681	713	-31
Amortization of consolidated difference	972	968	3
Equity in earnings of affiliates	228	514	-285
Other	6,816	7,412	-596
	9,350	9,962	-611
Nonoperating expenses:			
Interest	63,169	68,003	-4,834
Other	2,000	2,088	-88
	65,169	70,092	-4,922
Recurring profit	56,059	47,628	8,430
Extraordinary profits:	109,122	51,868	57,254
Proceeds from construction contract	34,700	44,662	-9,961
Gain on investment securities	62,900	2,812	60,087
Other	11,522	4,394	7,127
Extraordinary losses:	109,997	55,361	54,635
Loss on reduction entry of proceeds from construction	34,238	44,191	-9,952
Loss on investment securities	8,233	2	8,230
Adjustment for prior years' charges for leased railway facilities	25,839	—	25,839
Recognition of prior service cost of retirement benefits due to the revision of early retirement system	26,278	—	26,278
Other	15,408	11,167	4,240
Income before income taxes	55,184	44,135	11,049
Corporation, inhabitants and enterprise taxes	37,179	36,298	880
Income taxes deferred	-13,957	-17,081	3,123
Minority interests in earnings of consolidated subsidiaries	1,001	—	1,001
Minority interests in loss of consolidated subsidiaries	—	173	-173
Net income	30,961	25,091	5,870

APPROPRIATION OF CONSOLIDATED RETAINED EARNINGS

(Figures less than ¥1 million have been omitted)

	Millions of yen		
	2001	2000	Change from the previous year
Retained earnings at beginning of the year	193,847	181,779	12,067
Retained earnings at the end of the previous year	193,847	157,617	36,229
Adjustment for tax effect in prior years		24,161	-24,161
Increase in retained earnings	279		279
Increase in retained earnings due to change on equity proportion of affiliates	279		279
Appropriations of retained earnings	10,097	13,023	-2,925
Cash dividends	10,000	10,000	
Directors' bonuses	97	178	-80
[Including corporate auditors' bonuses]	[15]	[15]	[0]
Decline in retained earnings due to increase in number of consolidated subsidiaries		2,809	-2,809
Decline in retained earnings due to merger(s) of consolidated subsidiaries		35	-35
Net income	30,961	25,091	5,870
Retained earnings at the end of the year	214,990	193,847	21,142

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Figures less than ¥1 million have been omitted)

	Millions of yen		
	2001	2000	Change from the previous year
I. Cash flow from operating activities			
Income before income taxes adjustments	55,184	44,135	11,049
Depreciation and amortization	120,045	122,646	-2,600
Loss on reduction entry of fixed assets	34,238	44,191	-9,952
Loss from disposal of fixed assets	10,129	6,042	4,086
Loss on write-down of investment securities	8,233	2	8,230
Amortization of consolidation differences	-972	-968	-3
Decrease in allowance for doubtful accounts	184	-117	302
Decrease in allowance for retirement benefits	26,273	-12,689	38,962
Decrease in allowance for bonuses	-1,358	-1,597	239
Interest and dividends receivable	-1,334	-1,066	-267
Interest expenses	63,163	68,003	-4,840
Investment income from accounted for by the equity method	-228	-514	285
Contributions for the construction of railway facilities receivable	-34,700	-44,662	9,961
Increase in accounts receivable	-8,059	-110	-7,948
Decrease in inventories	449	1,784	-1,334
Decrease in accounts payable	32,093	-4,198	36,291
Decrease in accrued consumption tax	3,139	-4,249	7,389
Other	-55,420	4,146	-59,566
Sub-total	251,062	220,777	30,284
Interest and dividends received	1,091	1,130	-38
Interest paid	-64,258	-69,011	4,752
Income taxes paid	-49,226	-7,684	-41,541
Income taxes refunded	114	9,577	-9,462
Net cash provided by operating activities	138,784	154,790	-16,006
II. Cash flows from investing activities			
Cash placed in time deposits (maturities of more than 3 months)	-1,407	-3,735	2,328
Cash withdrawn from time deposits (maturities of more than 3 months)	2,813	4,368	-1,554
Purchases of property, plant and equipment	-111,693	-139,617	27,924
Proceeds from sales of property, plant and equipment	1,786	1,031	754
Receipts of contributions for the construction of railway facilities	47,465	35,580	11,884
Purchases of investment securities	-1,411	-734	-676
Proceeds from sales of investment securities	72,589	5,732	66,857
Proceeds from purchases of stock of subsidiaries accompanying change in the scope of consolidation		34	-34
Increase in loans	-462	-185	-276
Collections of loans and advances	545	1,037	-491
Other	-822	-2,789	1,966
Net cash used in investing activities	9,403	-99,277	108,681
III. Cash flows from financing activities			
Increase in short-term borrowings, net	-488	1,491	-1,980
Increase in long-term debt	16,415	81,093	-64,678
Repayment of long-term debt	-81,001	-103,809	22,807
Redemption of bonds	-14,960		-14,960
Long-term payables of acquisition of railway facilities	-33,765	-35,291	1,525
Cash dividends	-10,017	-9,962	-54
Payment of cash dividends to minority interests	-116	-118	1
Other	-9,362		-9,362
Net cash used in financing activities	-133,297	-66,597	-66,700
IV. Decrease in cash and cash equivalents	14,890	-11,084	25,974
V. Cash and cash equivalents at beginning of the year	128,891	136,905	-8,013
VI. Increase in cash and cash equivalents accompanying consolidation of additional subsidiaries		3,071	-3,071
VII. Cash and cash equivalents at end of the year	143,781	128,891	14,890

SEGMENT INFORMATION

1. Information by business segment

Fiscal 2000 (April 1, 1999 to March 31, 2000)

	Millions of yen						
	Transportation	Sales of goods	Real estate business	Other	Total	Eliminations and intergroup	Consolidated
Operating revenues and income:							
Operating revenues from third parties	865,528	174,679	48,957	101,843	1,191,009		
Intergroup operating revenues and transfers	16,519	18,094	12,658	94,282	141,555		
Total sales	882,048	192,774	61,616	196,125	1,332,565	-141,555	1,191,009
Operating expenses	795,267	190,762	48,265	189,655	1,223,951	-140,700	1,083,250
Operating income	86,780	2,011	13,351	6,470	108,613	-855	107,758
Assets, depreciation, and capital expenditures:							
Total assets	1,904,466	58,899	319,656	262,643	2,545,666	15,429	2,561,095
Depreciation	104,140	1,428	12,161	4,916	122,646		122,646
Capital expenditures	117,893	1,708	4,466	7,656	131,725		131,725

Fiscal 2001 (April 1, 2000 to March 31, 2001)

	Millions of yen						
	Transportation	Sales of goods and food services	Real estate business	Other	Total	Eliminations and intergroup	Consolidated
Operating revenues and income:							
Operating revenues from third parties	863,284	192,231	56,881	83,118	1,195,516		
Intergroup operating revenues and transfers	15,944	26,554	10,939	93,383	146,822		
Total sales	879,229	218,786	67,821	176,501	1,342,338	-146,822	1,195,516
Operating expenses	792,556	214,963	54,459	168,396	1,230,375	-146,736	1,083,638
Operating income	86,673	3,823	13,361	8,105	111,963	-85	111,877
Assets, depreciation, and capital expenditures:							
Total assets	1,874,980	64,616	316,922	222,923	2,479,443	96,858	2,576,301
Depreciation	100,036	2,075	12,000	5,934	120,045		120,045
Capital expenditures	101,005	1,636	5,456	8,775	116,873		116,873

Notes: 1. Fractional sums less than ¥1 million have been omitted.

2. Method of defining business segments: With the standard breakdown of Japanese manufacturers as a base, business segments have been determined in a way that shows as precisely and accurately as possible the actual diversity of present business conditions.

3. Main activities of business segments

Transportation: railways, ferries, buses

Sales of goods and food services: department store, sales of food and beverages, wholesale of various goods, etc.

Real estate business: lending and leasing of real estate, operation of shopping center

Other: hotels, sales of goods, construction, etc.

4. The principal all-company assets included within the elimination and intergroup item are as follows:

Previous consolidated fiscal year; ¥100,096 million (parent company's surplus funds under management (cash and negotiable securities) and deferred tax assets.

Consolidated fiscal year under review; ¥168,403 million (parent company's surplus funds under management (cash and negotiable securities) and deferred tax assets.

5. From this fiscal year, food and beverages business, which was previously included in the "other" segment, is now included in the "sales of goods and food services" segment, in accordance with the restructuring of related subsidiaries. To describe their businesses properly, the "sales of goods" segment has changed its name to the "Sales of goods and food services" segment.

Also, two subsidiaries have been transferred to the "real estate business" segment from the "sales of goods" segment.

Segment information for the previous fiscal year applied above is as follows:

Fiscal 2000 (April 1, 1999 to March 31, 2000)

	Millions of yen						
	Transportation	Sales of goods and food services	Real estate business	Other	Total	Eliminations and intergroup	Consolidated
Operating revenues and income:							
Operating revenues from third parties	865,528	189,384	56,729	79,366	1,191,009		
Intergroup operating revenues and transfers	16,519	17,306	11,768	96,208	141,802		
Total sales	882,048	206,691	68,498	175,574	1,332,812	-141,802	1,191,009
Operating expenses	795,267	204,533	55,177	169,221	1,224,199	-140,949	1,083,250
Operating income	86,780	2,157	13,320	6,353	108,612	-853	107,758
Assets, depreciation, and capital expenditures:							
Total assets	1,904,466	60,703	322,447	254,825	2,542,443	18,652	2,561,095
Depreciation	104,140	1,803	12,400	4,302	122,646		122,646
Capital expenditures	117,893	1,833	4,597	7,400	131,725		131,725

2. Information by location

As there were no overseas subsidiaries in fiscal 2000 or 2001, this item was not included.

3. Overseas sales

As there were no overseas sales in fiscal 2000 or 2001, this item was not included.

FLASH REPORT (NON-CONSOLIDATED BASIS)

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Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya and Fukuoka Stock Exchanges

Code number: 9021

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Date for Convening the Board of Directors Meeting for the Settlement of Accounts: May 18, 2001

Date of the General Meeting of the Shareholders: June 27, 2001

Interim dividends: Yes

1. Results for fiscal 2001 (April 1, 2000 to March 31, 2001)

(1) Operating results

(Figures less than ¥1 million have been omitted)

	Operating revenues (% change from the previous year)		Operating income (% change from the previous year)		Recurring profit (% change from the previous year)	
	Millions of yen		Millions of yen		Millions of yen	
Fiscal 2001	881,486	(-0.4)	97,058	(-2.0)	43,442	(2.6)
Fiscal 2000	885,144	(-2.7)	99,054	(-12.1)	42,326	(-16.3)

	Net income (% change from the previous year)		Net income per share	Net income per share after dilution	Return on equity	Recurring profit-to-total capital ratio	Recurring profit-to-operating revenues ratio
	Millions of yen		Yen	Yen	%	%	%
Fiscal 2001	25,985	(1.6)	12,992.54	—	6.9	1.9	4.9
Fiscal 2000	25,578	(—)	12,789.34	—	7.8	1.9	4.8

Notes: 1. Average number of shares outstanding during fiscal years:

Fiscal 2001: 2,000,000 shares

Fiscal 2000: 2,000,000 shares

2. There were no changes in accounting methods.

3. Percentages indicate year-on-year increase/(decrease) in operating revenues, operating income, recurring profit, and net income.

(2) Dividends

	Dividends per share for the fiscal year			Total amount of dividends (for the entire fiscal year)	Payout ratio	Dividends-to-shareholders' equity ratio
	Yen	Interim dividends	Year-end dividends			
		Yen	Yen	Yen	Millions of yen	%
Fiscal 2001	5,000.00	2,500.00	2,500.00	10,000	38.5	2.5
Fiscal 2000	5,000.00	2,500.00	2,500.00	10,000	39.1	2.9

Note: Dividends of this period include no commemorative dividend and no special dividend.

(3) Financial position

	Total assets	Total shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal 2001	2,247,888	403,398	17.9	201,699.07
Fiscal 2000	2,232,690	346,691	15.5	173,345.57

Note: Number of shares outstanding at fiscal year-end:

Fiscal 2001: 2,000,000 shares

Fiscal 2000: 2,000,000 shares

2. Forecast for fiscal 2002 (April 1, 2001 to March 31, 2002)

	Operating revenues	Recurring profit	Net income	Dividends per share for the fiscal year		
				Interim dividends	Year end dividends	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen	Yen
Interim 2002	444,000	35,000	50,000	2,500.00	—	—
Fiscal 2002	873,800	45,000	56,400	—	2,500.00	5,000.00

(Reference) Net income per share for the fiscal year is forecast to be ¥28,200.00.

NON-CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

	Millions of yen		
	2001	2000	Change from the previous year
ASSETS			
Current assets:			
Cash	34,927	29,196	5,731
Railway fares receivable	18,205	11,159	7,045
Accounts receivable	14,346	13,162	1,184
Accrued income	5,986	6,228	-241
Short-term loans	1,320	2,800	-1,480
Marketable securities	44,226	34,150	10,075
Real estate for sale	347	233	114
Materials and supplies	3,195	2,988	206
Prepaid expenses	1,985	1,958	27
Deferred tax assets	5,046	8,510	-3,463
Other current assets	21,456	11,938	9,517
Less allowance for doubtful accounts	-88	-90	2
Total current assets	150,956	122,237	28,719
Fixed assets:			
Railway	1,615,515	1,670,645	-55,129
Ferry	238	272	-34
Other operations	78,090	83,605	-5,515
Related business	97,075	90,025	7,049
Construction in progress	47,604	37,116	10,487
Investments and advances:	258,407	228,787	29,619
Investment securities	108,231	54,866	53,365
Stocks of subsidiaries	109,763	108,695	1,067
Long-term loans	7,920	8,913	-992
Long-term prepaid expense	3,591	3,973	-381
Contribution to a welfare annuity	8,675	17,351	-8,675
Deferred tax assets	11,205	24,823	-13,617
Other investments and advances	9,142	10,195	-1,053
Less allowance for doubtful accounts	-122	-31	-91
Total fixed assets	2,096,931	2,110,453	-13,521
Total assets	2,247,888	2,232,690	15,197

NON-CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

	Millions of yen		
	2001	2000	Change from the previous year
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	11,102	1,170	9,932
Current portion of long-term debt	62,348	24,894	37,454
Current portion of redemption of bonds		14,960	-14,960
Current portion of long-term payables to the acquisition of railway facilities	34,772	33,765	1,006
Current portion of long-term payables	1,168	288	880
Accounts payable	98,846	95,319	3,526
Accrued expenses	14,868	15,268	-400
Accrued consumption tax	7,194	3,153	4,041
Accrued income tax	15,975	30,051	-14,074
Railway deposits received	8,643	4,635	4,008
Deposits	25,997	25,179	818
Prepaid railway fares received	28,680	29,034	-353
Deposits received	65,993	59,497	6,496
Advance payments received	452	471	-19
Allowance for bonuses	35,149	36,339	-1,189
Other current liabilities	495	609	-114
Total current liabilities	411,690	374,637	37,052
Long-term liabilities:			
Bonds	200,000	200,000	
Long-term debt	234,233	333,706	-99,473
Long-term payables for acquisition of railway facilities	720,076	754,758	-34,681
Long-term payables	15,324	16,492	-1,168
Long-term payables for leased railway facilities	33,338		33,338
Accrued severance and retirement benefits		199,012	-199,012
Retirement allowances for employees	221,563		221,563
Other long-term liabilities	8,264	7,392	871
Total long-term liabilities	1,432,799	1,511,361	-78,562
Total liabilities	1,844,489	1,885,999	-41,509
Shareholders' equity:			
Capital stock	100,000	100,000	
Capital surplus	55,000	55,000	
Earned legal surplus	10,820	9,815	1,005
Retained earnings:	196,799	181,875	14,923
Voluntary reserves	130,000	105,000	25,000
Other reserves	130,000	105,000	25,000
Unappropriated retained earnings	66,799	76,875	-10,076
[Net income, including current net income]	[25,985]	[25,578]	[406]
Evaluation differences on other securities	40,777		40,777
Total shareholders' equity	403,398	346,691	56,707
Total liabilities and shareholders' equity	2,247,888	2,232,690	15,197

NON-CONSOLIDATED STATEMENTS OF INCOME

(Figures less than ¥1 million have been omitted)

	Millions of yen		
	2001	2000	Change from the previous year
Operating revenues	881,486	885,144	-3,657
Transportation	773,129	773,992	-863
Transportation incidentals	24,680	26,164	-1,484
Other operations	18,658	19,943	-1,284
Travel Business	10,424	10,169	255
Miscellaneous	54,593	54,873	-280
Operating expenses	784,428	786,089	-1,661
Personnel costs	345,626	350,107	-4,480
Non-personnel costs	275,085	276,586	-1,501
Energy costs	38,293	39,328	-1,034
Maintenance costs	114,378	112,354	2,023
Miscellaneous costs	122,413	124,903	-2,490
Rental payments for JRCP. etc	31,523	23,853	7,670
Taxes	30,327	31,056	-729
Depreciation	101,865	104,486	-2,620
Operating income	97,058	99,054	-1,995
Non-operating revenues	7,267	7,550	-283
Non-operating expenses	60,883	64,278	-3,394
Recurring profit	43,442	42,326	1,115
Extraordinary profit	107,445	48,335	59,109
Extraordinary loss	105,832	46,385	59,446
Income before income taxes	45,055	44,276	778
Income taxes-current	31,810	32,862	-1,052
Income taxes-deferred	-12,740	-14,165	1,424
Net income	25,985	25,578	406

APPROPRIATION OF RETAINED EARNINGS

(Figures less than ¥1 million have been omitted) Years ended March 31

	Millions of yen		
	2001	2000	Change from the previous year
Unappropriated retained earnings for the current year	66,799	76,875	-10,076
Appropriation is proposed as follows:			
Earned legal surplus	506	505	0
Cash dividends to shareholders	5,000	5,000	—
[per share]	[¥2,500]	[¥2,500]	
Directors' bonuses	64	56	8
[Including corporate auditors' bonuses]	[12]	[12]	[0]
General reserve	20,000	25,000	-5,000
Retained earnings carried forward to the next period	41,228	46,314	-5,085

Notes: 1. Interim dividends for fiscal 2000 were paid on December 10, 2000: ¥5 billion (¥2,500 per share)

2. Interim dividends for fiscal 2001 were paid on December 12, 2001: ¥5 billion (¥2,500 per share)