

Nov 13, 2001

West Japan Railway Company

Flash Report (Consolidated and Non-Consolidated Basis)

Results for the period ended September 30, 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

Address of headquarters: 4-24, Shibata 2-chome, Kita-ku, Osaka 530-8341, Japan

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Date for Convening the Board of Directors Meeting for the Settlement of Accounts: November 13, 2001

U.S. accounting standard: not applied

1. Results for the six months ended September 30, 2001)

(1) Operating results

(Figures less than ¥1 million have been omitted)

	Operating revenues (% change from the previous interim period)		Operating income (% change from the previous interim period)		Recurring profit (% change from the previous interim period)	
	Millions of yen		Millions of yen		Millions of yen	
Interim period	593,572	(-0.1)	65,520	(-7.0)	38,950	(-0.9)
Previous interim period	593,874	(0.1)	70,464	(18.9)	39,296	(55.3)
Previous fiscal year	1,195,516		111,877		56,059	

	Net income (% change from the previous interim period)		Net income per share	Net income per share after dilution
	Millions of yen		Yen	Yen
Interim period	23,735	(12.7)	11,867.84	-
Previous interim period	21,070	(46.8)	10,535.13	-
Previous fiscal year	30,961		15,480.62	-

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

Interim 2001: ¥ 460 million

Interim 2000: ¥ -537 million

Fiscal 2001 : ¥ 228 million

2. Average number of shares outstanding during fiscal years

Six months ended September 30, 2001: 2,000,000 shares

Six months ended September 30, 2000: 2,000,000 shares

Year ended March 31, 2001: 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
Interim period	2,458,528	397,873	16.2	198,936.93
Previous interim period	2,688,358	472,266	17.6	236,133.28
Previous fiscal year	2,576,301	413,645	16.1	206,822.51

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

Six months ended September 30, 2001: 2,000,000 shares

Six months ended September 30, 2000: 2,000,000 shares

Year ended March 31, 2001: 2,000,000 shares

(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
Interim period	60,919	43,260	-152,691	95,307
Previous interim period	55,246	-19,866	- 40,446	123,825
Previous fiscal year	138,784	9,403	-133,297	143,781

(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
Fiscal year	1,186,000	61,500	41,000

(Reference) Consolidated net income per share for the fiscal year is forecast to be ¥20,250.00.

(2) 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.

Ahead of the realization of complete privatization, the Company has reformed its organizational structure with the goal of strengthening functions for the planning and formulation of corporate and business strategies. Aiming to enhance management transparency, the Company has aggressively been promoting information disclosure, primarily through investor relations activities.

4. Management Issues

The operating environment surrounding the JR-West Group is expected to become more challenging. Along with increased concerns that the economy will weaken in the wake of the terrorist attacks that occurred in the United States in September, the stagnant Japanese economy is being further negatively affected by such factors as the 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 troubled 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 the 500 Series *Nozomi* and 700 Series *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 in 2003 of our TiS Headquarters, 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.

(3) PERFORMANCE HIGHLIGHTS

Affected by slowdowns in the U.S. and global economies, there was a downturn in domestic private-sector capital investment, Japan's employment situation worsened and the future direction of its economy became increasingly unclear, with continued weakness in consumer spending.

Against this backdrop, Group companies, under the new group management structure, introduced a variety of measures to realize higher earnings and stable profits, particularly in core railway services, and to reinforce their financial structures by effectively utilizing assets.

As a result, the Group achieved, on a consolidated basis, operating revenues of ¥593.5 billion, down 0.1% from the previous interim period; operating income of ¥65.5 billion, down 7.0%; recurring profit of ¥38.9 billion, down 0.9%; and net income after taxes of ¥23.7 billion, up 12.7%, in the first half of fiscal 2002.

1. Results by Business Segment (Consolidated Basis)

(1) Transportation

In our railway division, we have increased the frequency of the highly popular *Hikari Rail Star* train service on the Sanyo Shinkansen Line with the introduction of a revised timetable from April. We are working to steadily improve our high-speed transport system, which includes the *Nozomi*, and making every effort to promote their use. As for conventional lines, in our Urban Network we are improving transport access to Universal Studios Japan (USJ). Regarding inter-city transportation, in July we completed construction for high-speed service between the stations of Yasugi and Masuda on the San-in Main Line and introduced new rolling stock. In addition, we revised our time tables, with the aim to reduce travel times. These efforts are all part of our program to improve transport services.

In our bus operations, use of regular buses and chartered buses remained sluggish. However, we are planning to expand our network of high-speed bus lines with the aim of improving convenience.

Consequently, operating revenues for Transportation Services fell 1.2%, to ¥436.8 billion, and operating income dropped 14.6%, to ¥50.3 billion.

(2) Sales of Goods and Food Services

We opened the *Book Kiosk Amagasaki* inside Amagasaki Station, and the *Deli Cafe Express* inside Kyoto Station as part of efforts to expand operations within station buildings. We are also aggressively undertaking new business development by opening *X-TIME*, a multimedia cafe complex offering Internet browsing and other services, inside Osaka Station. Thanks to the continued favorable earnings of the JR Kyoto Isetan department store in our Kyoto Station Building complex, operating revenues in this sector rose 6.6% from the previous interim period, to ¥111.5 billion, while operating income increased 38.3%, to ¥2.7 billion.

(3) Real Estate

Regarding new dining and shopping complexes, we opened new shops in the mini-station building at Hyogo Station, as well as the Chelsea Market in the shopping area beneath the overhead tracks east of Osaka Station. Through such new ventures we endeavor to stimulate operations and realize full utilization of asset holdings. Further contributing to this sector's performance was the inclusion of earnings by Kokura Himawari Street, a shopping center that opened in October 2000 at Kokura Station on the Sanyo Shinkansen Line. As a result, operating revenues increased 3.3% from the previous interim period, to ¥34.4 billion, and operating income rose 13.0%, to ¥7.5 billion.

(4) Other Businesses

As a result of the favorable performance by hotel operations, as well as the securing of profits and comprehensive cost reductions in the advertising and other businesses, Other Businesses, which includes hotels, advertising agency services, and construction services, saw operating revenues rise 12.0% from the previous interim period, to ¥82.1 billion, and operating income increase 72.7%, to ¥4.8 billion.

2. Forecast for Fiscal 2002

Amid concerns of an increasingly challenging management environment, resulting from the further weakening economic situation, the JR-West Group will vigorously continue working to maintain or expand profitability, while proceeding with costs-cutting measures to create a strong corporate constitution.

Consolidated results forecast for the year ending March 31, 2002, is as follows:

Operating revenues	¥ 1,186.0 billion
Operating income	¥ 110.0 billion
Recurring profit	¥ 61.5 billion
Net income	¥ 41.0 billion

Supplemental Information

The Company transferred the TiS Headquarters (the Travel Business Division) to the Nippon Travel Agency, effective October 1, 2001, based on an agreement signed on May 23, 2001. This transfer was made to promote the future growth of the TiS Headquarters.

1. Recipient: Nippon Travel Agency

Assets to be transferred:

Current assets	¥ 31.1 billion
Fixed assets	¥ 141.1 billion
Total assets	¥ 172.2 billion
Current liabilities	¥ 16.3 billion
Total liabilities	¥ 16.3 billion

2. Transfer price: ¥155.9 billion

3. Transfer date: October 1, 2001

4. Summary of TiS Transfer

Company Name: Nippon Travel Agency Co., Ltd.

Representative: Akira Kanai, President/Chief Executive Officer

Head office: 20-15, Shimbashi 2-chome, Minato-ku, Tokyo

Paid in capital: ¥1 billion

CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	September 30, 2001	March 31, 2001	Change from the previous year	September 30, 2000
ASSETS				
Current assets:				
Cash	94,528	92,557	1,971	126,683
Trade notes receivable	10,240	13,845	-3,604	10,729
Railway fares receivable	18,942	18,774	167	18,141
Accounts receivable	11,185	16,900	-5,715	14,906
Income tax receivable	2	118	-115	10
Marketable securities	2,838	47,610	-44,772	4,082
Inventory	18,483	12,267	6,216	20,195
Deferred tax assets	16,146	7,718	8,428	10,815
Other current assets	29,896	44,664	-14,767	31,293
Less allowance for doubtful accounts	-167	-209	41	-176
Total current assets	202,097	254,248	-52,151	236,680
Fixed assets:				
Property, plant and equipment:	2,092,517	2,114,557	-22,040	2,124,966
Buildings	1,097,642	1,124,828	-27,185	1,143,927
Machinery, equipment and transport equipment	226,238	224,958	1,280	224,757
Land	681,724	681,379	344	681,767
Construction in progress	52,239	47,869	4,370	39,230
Other property, plant and equipment	34,671	35,521	-850	35,283
Intangible fixed assets	8,006	8,451	-445	9,348
Investments and other assets:	155,785	198,815	-43,030	317,028
Investment securities	77,453	146,586	-69,132	271,750
Contribution to a welfare annuity	4,341	8,682	-4,341	13,023
Deferred tax assets	51,445	19,052	32,393	7,738
Other investments and assets	22,945	24,793	-1,847	24,706
Less allowance for doubtful accounts	-401	-299	-102	-190
Total fixed assets	2,256,308	2,321,824	-65,515	2,451,343
Deferred assets	122	228	-105	334
Total assets	2,458,528	2,576,301	-117,772	2,688,358

CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	September 30, 2001	March 31, 2001	Change from the previous year	September 30, 2000
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Trade notes payable	30,027	39,431	-9,404	28,133
Short-term loans	9,147	13,876	-4,729	16,226
Current portion of long-term debt	48,583	72,160	-23,577	61,443
Current portion of long-term payables to acquisition of railway facilities	32,153	34,772	-2,618	34,260
Accounts payable	65,811	81,541	-15,729	47,695
Accrued consumption tax	8,121	8,810	-688	9,203
Accrued income tax	33,450	19,856	13,594	14,071
Railway deposits received	6,545	8,132	-1,586	7,052
Deposits received	32,674	36,092	-3,418	34,741
Prepaid railway fares received	32,950	28,751	4,198	33,700
Advances received	99,501	67,830	31,671	86,576
Deferred tax liabilities	-	7	-7	-
Less allowance for bonuses	40,399	40,999	-600	41,664
Reserve for compensation of completion of construction	42	38	3	38
Reserve for repairs due to natural disaster	2,137	-	2,137	-
Other current liabilities	26,454	27,551	-1,096	30,290
Total current liabilities	468,001	479,853	-11,852	445,099
Long-term liabilities:				
Bonds	200,000	200,000	-	200,000
Long-term debt	350,182	358,652	-8,469	424,990
Long-term payables of acquisition of railway facilities	635,106	720,076	-84,970	741,529
Long-term payables for leased railway facilities	37,087	33,338	3,749	-
Deferred tax liabilities	2,421	3,000	-578	57,767
Retirement allowances for employees	218,706	231,112	-12,405	204,348
Reserve for repairs on concrete structures	12,584	-	12,584	-
Consolidation adjustment	87	364	-276	1,076
Other long-term liabilities	119,670	120,148	-477	124,696
Total long-term liabilities	1,575,847	1,666,692	-90,845	1,754,409
Total liabilities	2,043,848	2,146,546	-102,697	2,199,509
Minority interest	16,806	16,110	696	16,582
Shareholders' equity				
Capital stock	100,000	100,000	-	100,000
Capital surplus	55,000	55,000	-	55,000
Consolidated retained earnings	233,695	214,990	18,704	210,099
Evaluation differences on other securities	9,178	43,654	-34,476	107,167
Total shareholders' equity	397,873	413,645	-15,771	472,266
Total liabilities, minority interest, and shareholders' equity	2,458,528	2,576,301	-117,772	2,688,358

CONSOLIDATED STATEMENTS OF INCOME

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	Six months ended September 30, 2001	Six months ended September 30, 2000	Change from the previous interim period	Year ended March 31, 2001
Operating revenues	593,572	593,874	-301	1,195,516
Operating expenses:				
Transportation and other services and cost of sales	446,541	441,418	5,123	918,754
Selling, general and administrative expenses	81,510	81,991	-480	164,884
	528,051	523,409	4,642	1,083,638
Operating income	65,520	70,464	-4,944	111,877
Nonoperating revenues:				
Interest	212	264	-51	652
Dividend	287	363	-76	681
Amortization of consolidated difference	276	498	-221	972
Equity in earnings of affiliates	460	-	460	228
Other	1,533	1,223	309	6,816
	2,769	2,349	420	9,350
Nonoperating expenses:				
Interest	28,786	32,190	-3,404	63,169
Equity in losses of affiliates	-	537	-537	-
Other	552	788	-235	2,000
	29,339	33,516	-4,177	65,169
Recurring profit	38,950	39,296	-346	56,059
Extraordinary profits:				
Proceeds from construction contract	3,802	8,354	-4,551	34,700
Gain on investment securities	54,480	-	54,480	62,900
Other	3,546	3,817	-270	11,522
	61,829	12,171	49,658	109,122
Extraordinary losses:				
Loss on reduction entry of proceeds from construction	3,736	8,242	-4,505	34,238
Loss on investment securities	239	1,828	-1,589	8,233
Loss on transfer of debt	23,178	-	23,178	-
Provision for repairs on concrete structures	12,584	-	12,584	-
Loss on transfer of Travel business	7,747	-	7,747	-
Adjustment for prior years' charges for leased railway facilities	-	-	-	25,839
Recognition of prior service cost of retirement benefits due to the revision of early retirement system	-	-	-	26,278
Other	10,613	3,891	6,722	15,408
	58,100	13,962	44,137	109,997
Income before income taxes	42,680	37,505	5,174	55,184
Corporation, inhabitants and enterprise taxes	33,422	13,760	19,661	37,179
Income taxes - deferred	-15,532	2,263	-17,795	-13,957
Minority interests in earnings of consolidated subsidiaries	1,054	411	642	1,001
Net income	23,735	21,070	2,665	30,961

APPROPRIATION OF CONSOLIDATED RETAINED EARNINGS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	Six months ended September 30, 2001	Six months ended September 30, 2000	Change from the previous interim period	Year ended March 31, 2001
Retained earnings at beginning of the period	214,990	193,847	21,142	193,847
Increase in retained earnings	89	279	-189	279
Increase in retained earnings due to change on equity proportion of affiliates	-	279	-279	279
Merger of consolidated subsidiaries	89	-	89	-
Appropriations of retained earnings	5,120	10,097	-4,977	5,097
Cash dividends	5,000	10,000	-5,000	5,000
Directors' bonuses	120	97	22	97
[Including corporate auditors' bonuses]	(17)	(15)	(2)	(15)
Net income	23,735	30,961	-7,225	21,070
Retained earnings at the end of the period	233,695	214,990	18,704	210,099

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	September 30, 2001	September 30, 2000	Change from the previous year	March 31, 2001
I. Cash flow from operating activities				
Income before income taxes adjustments	42,680	37,505	5,174	55,184
Depreciation and amortization	56,466	58,379	-1,913	120,045
Loss on reduction entry of fixed assets	3,736	8,242	-4,505	34,238
Loss from disposal of fixed assets	1,322	3,968	-2,646	10,129
Loss on write-down of investment securities	239	1,828	-1,589	8,233
Amortization of consolidation differences	-276	-498	221	-972
Increase in allowance for doubtful accounts	60	42	17	184
Decrease in allowance for retirement benefits	-12,407	-490	-11,917	26,273
Decrease in allowance for bonuses	-601	-693	92	-1,358
Increase in other reserves	14,753	-	14,753	-
Interest and dividends receivable	-499	-627	127	-1,334
Interest expenses	28,781	32,189	-3,407	63,163
Investment income from accounted for by the equity method	-460	537	-998	-228
Contributions for the construction of railway facilities receivable	-3,802	-8,354	4,551	-34,700
Increase in accounts receivable	11,458	1,299	10,158	-8,059
Decrease in inventories	-6,151	-7,478	1,327	449
Decrease in accounts payable	4,107	-12,674	16,782	32,093
Decrease in accrued consumption tax	-690	3,533	-4,224	3,139
Other	-29,798	2,026	-31,824	-55,420
Sub-total	108,918	118,737	-9,818	251,062
Interest and dividends received	562	532	30	1,091
Interest paid	-28,850	-32,654	3,804	-64,258
Income taxes paid	-19,827	-31,592	11,764	-49,226
Income taxes refunded	115	222	-106	114
Net cash provided by operating activities	60,919	55,246	5,673	138,784
II. Cash flows from investing activities				
Cash placed in time deposits (maturities of more than 3 months)	-3,560	-9,658	6,097	-1,407
Cash withdrawn from time deposits (maturities of more than 3 months)	3,811	6,487	-2,675	2,813
Purchases of property, plant and equipment	-50,474	-38,968	-11,506	-111,693
Proceeds from sales of property, plant and equipment	399	554	-154	1,786
Receipts of contributions for the construction of railway facilities	22,092	21,075	1,017	47,465
Purchases of investment securities	-502	-327	-175	-1,411
Proceeds from sales of investment securities	71,575	1,242	70,333	72,589
Increase in loans	-36	-257	221	-462
Collections of loans and advances	92	278	-186	545
Other	-136	-292	155	-822
Net cash used in investing activities	43,260	-19,866	63,127	9,403
III. Cash flows from financing activities				
Increase in short-term borrowings, net	-4,729	1,860	-6,590	-488
Increase in long-term debt	1,414	5,400	-3,986	16,415
Repayment of long-term debt	-33,478	-14,455	-19,022	-81,001
Redemption of bonds	-	-14,960	14,960	-14,960
Long-term payables of acquisition of railway facilities	-87,589	-12,733	-74,855	-33,765
Cash dividends	-5,005	-5,012	7	-10,017
Payment of cash dividends to minority interests	-125	-116	-8	-116
Other	-23,178	-428	-22,749	-9,362
Net cash used in financing activities	-152,691	-40,446	-112,245	-133,297
IV. Decrease in cash and cash equivalents	-48,511	-5,066	-43,444	14,890
V. Cash and cash equivalents at beginning of the period	143,781	128,891	14,890	128,891
VI. Increase in cash and cash equivalents accompanying consolidation of additional subsidiaries	36	-	36	-
VII. Cash and cash equivalents at end of the period	95,307	123,825	-28,517	143,781

SEGMENT INFORMATION

1. Information by business segment

Six months ended September 30, 2000

	Millions of yen						
	Transportation	Sales of goods and food services	Real estate	Other	Total	Eliminations and intergroup	Consolidated
Operating revenues and income:							
Operating revenues from third parties	434,018	94,476	27,866	37,492	593,874	-	593,874
Intergroup operating revenues and transfers	8,056	10,198	5,447	35,833	59,535	(59,535)	-
Total sales	442,075	104,674	33,333	73,325	653,409	(59,535)	593,874
Operating expenses	383,154	102,672	26,682	70,523	583,034	(59,624)	523,409
Operating income	58,920	2,001	6,651	2,802	70,375	89	70,464

Six months ended September 30, 2001

	Millions of yen						
	Transportation	Sales of goods and food services	Real estate	Other	Total	Eliminations and intergroup	Consolidated
Operating revenues and income:							
Operating revenues from third parties	428,807	96,369	28,851	39,543	593,572	-	593,572
Intergroup operating revenues and transfers	8,057	15,225	5,598	42,561	71,443	(71,443)	-
Total sales	436,865	111,595	34,450	82,104	665,015	(71,443)	593,572
Operating expenses	386,543	108,826	26,935	77,264	599,569	(71,518)	528,051
Operating income	50,321	2,768	7,514	4,840	65,445	74	65,520

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

	Millions of yen						
	Transportation	Sales of goods and food services	Real estate	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	-	1,195,516
Intergroup operating revenues and transfers	15,944	26,554	10,939	93,383	146,822	(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

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.

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)

Company name: West Japan Railway Company

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

Code number: 9021

Address of headquarters: 4-24, Shibata 2-chome, Kita-ku, Osaka 530-8341, Japan

For further information, please contact: Akiyoshi Yamamoto, General Manager, Corporate Communications Department

Telephone: +81-6-6375-8889

Date for Convening the Board of Directors Meeting for the Settlement of Accounts: November 13, 2001

Interim dividends: Yes

Date of payment of interim dividends: December 11, 2001

1. Results for six months ended September 30, 2001)

(1) Operating results

(Figures less than ¥1 million have been omitted)

	Operating revenues (% change from the previous interim period)		Operating income (% change from the previous interim period)		Recurring profit (% change from the previous interim period)	
	Millions of yen		Millions of yen		Millions of yen	
Interim period	437,721	(-1.2)	55,588	(-12.8)	30,044	(-12.7)
Previous interim period	442,974	(-0.4)	63,729	(15.6)	34,396	(42.9)
Previous fiscal year	881,486	(-0.4)	97,058	(-2.0)	43,442	(2.6)

	Net income (% change from the previous interim period)		Net income per share
	Millions of yen		Yen
Interim period	19,250	(0.9)	9,625.04
Previous interim period	19,080	(22.2)	9,540.25
Previous fiscal year	25,985	1.6	12,992.54

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

Interim 2001 : 2,000,000 shares

Interim 2000 : 2,000,000 shares

Fiscal 2001 : 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

	Interim dividends per share	Dividends per share for the fiscal years
	Yen	Yen
Interim period	2,500.00	-
Previous interim period	2,500.00	-
Previous fiscal year	2,500.00	5,000.00

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
Interim period	2,147,575	382,920	17.8	191,460.31
Previous interim period	2,358,763	463,783	19.7	231,891.84
Previous fiscal year	2,247,888	403,398	17.9	201,699.07

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

Interim 2001 : 2,000,000 shares

Interim 2001 : 2,000,000 shares

Fiscal 2001 : 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	
				Year end dividends	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
Fiscal year	868,000	49,000	32,000	2,500.00	5,000.00

(Reference) Net income per share for the fiscal year is forecast to be ¥16,000.00.

NON-CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	September 30, 2001	March 31, 2001	Change from the previous year	September 30, 2000
ASSETS				
Current assets:				
Cash	34,486	34,927	-441	70,471
Railway fares receivable	18,582	18,205	377	17,528
Accounts receivable	9,257	14,346	-5,089	10,896
Accrued income	2,869	5,986	-3,117	3,551
Short-term loans	7,050	1,320	5,730	3,620
Marketable securities	-	44,226	-44,226	201
Real estate for sale	337	347	-10	216
Materials and supplies	5,054	3,195	1,859	5,100
Prepaid expenses	4,411	1,985	2,425	4,278
Deferred tax assets	13,435	5,046	8,388	8,487
Other current assets	12,258	21,456	-9,198	14,113
Less allowance for doubtful accounts	-103	-88	-15	-67
Total current assets	107,639	150,956	-43,317	138,399
Fixed assets:				
Railway	1,595,429	1,615,515	-20,086	1,635,713
Ferry	229	238	-9	255
Other operations	77,688	78,090	-402	82,074
Related business	94,073	97,075	-3,001	88,421
Construction in progress	52,149	47,604	4,545	39,020
Investments and advances:	220,366	258,407	-38,040	374,877
Investment securities	38,972	108,231	-69,258	231,500
Stocks of subsidiaries	116,531	109,763	6,768	108,727
Long-term loans	4,393	7,920	-3,527	8,900
Long-term prepaid expense	3,291	3,591	-300	3,728
Contribution to a welfare annuity	4,337	8,675	-4,337	13,013
Deferred tax assets	44,093	11,205	32,888	-
Other investments and advances	8,939	9,142	-202	9,099
Less allowance for doubtful accounts	-192	-122	-70	-92
Total fixed assets	2,039,936	2,096,931	-56,994	2,220,363
Total assets	2,147,575	2,247,888	-100,312	2,358,763

NON-CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	September 30, 2001	March 31, 2001	Change from the previous year	September 30, 2000
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Short-term borrowings	22,900	11,102	11,798	16,300
Current portion of long-term debt	38,056	62,348	-24,292	50,184
Current portion of long-term payables to the acquisition of railway facilities	32,153	34,772	-2,618	34,260
Current portion of long-term payables	1,168	1,168	-	728
Accounts payable	75,060	98,846	-23,785	52,795
Accrued expenses	13,492	14,868	-1,376	14,977
Accrued consumption tax	6,602	7,194	-591	7,916
Accrued income tax	29,577	15,976	13,600	11,180
Railway deposits received	7,305	8,643	-1,338	7,722
Deposits	23,983	25,997	-2,013	26,511
Prepaid railway fares received	32,848	28,680	4,167	33,593
Deposits received	97,388	65,933	31,394	83,399
Advance payments received	1,165	452	712	1,327
Allowance for bonuses	34,282	35,149	-866	35,522
Reserve for repairs due to natural disaster	2,137	-	2,137	-
Other current liabilities	91	495	-404	36
Total current liabilities	418,212	411,690	6,522	376,456
Long-term liabilities:				
Bonds	200,000	200,000	-	200,000
Long-term debt	229,953	234,233	-4,280	302,914
Long-term payables of acquisition of railway facilities	635,106	720,076	-84,970	741,529
Long-term payables	14,740	15,324	-584	15,908
Long-term payables for leased railway facility	37,087	33,338	3,749	-
Deferred tax liabilities	-	-	-	53,433
Retirement allowances for employees	208,686	221,563	-12,876	196,618
Reserve for repairs on concrete structures	12,584	-	12,584	-
Other long-term liabilities	8,284	8,264	19	8,119
Total long-term liabilities	1,346,442	1,432,799	-86,357	1,518,523
Total liabilities	1,764,655	1,844,489	-79,834	1,894,979
Shareholders' equity:				
Capital stock	100,000	100,000	-	100,000
Capital surplus	55,000	55,000	-	55,000
Earned legal surplus	11,327	10,820	506	10,320
Retained earnings:	210,478	196,799	13,679	195,394
Voluntary reserves	150,000	130,000	20,000	130,000
Other reserves	150,000	130,000	20,000	130,000
Unappropriated retained earnings	60,478	66,799	-6,320	65,394
[Net income, including current net income]	(19,250)	(25,985)	(- 6,734)	(19,080)
Evaluation differences on other securities	6,114	40,777	-34,663	103,068
Total shareholders' equity	382,920	403,398	-20,477	463,783
Total liabilities and shareholders' equity	2,147,575	2,247,888	-100,312	2,358,763

NON-CONSOLIDATED STATEMENTS OF INCOME

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	September 30, 2001	September 30, 2000	Change from the previous year	March 31, 2001
Operating revenues:				
Transportation	388,338	389,794	-1,455	773,129
Transportation incidentals	12,028	12,261	-232	24,680
Other operations	9,254	9,321	-67	18,658
Travel Business	5,136	5,239	-102	10,424
Miscellaneous	22,962	26,357	-3,394	54,593
	437,721	442,974	-5,253	881,486
Operating expenses:				
Personnel costs	168,250	173,674	-5,423	345,626
Non personnel costs	132,836	125,863	6,972	275,085
Energy costs	20,528	19,955	572	38,293
Maintenance costs	53,920	48,292	5,628	114,378
Miscellaneous costs	58,387	57,615	771	122,413
Rental payments for JRCP. etc	15,876	12,216	3,660	31,523
Taxes	17,489	17,968	-478	30,327
Depreciation	47,679	49,522	-1,842	101,865
	382,132	379,244	2,888	784,428
Operating income	55,588	63,729	-8,141	97,058
Non operating revenues	1,775	1,530	244	7,267
Non operating expenses	27,318	30,863	-3,545	60,883
Recurring profit	30,044	34,396	-4,351	43,442
Extraordinary profit	60,447	8,534	51,912	107,445
Extraordinary loss	57,609	10,111	47,498	105,832
Income before income taxes	32,882	32,819	63	45,055
Income taxes-current	29,560	10,834	18,725	31,810
Income taxes-deferred	-15,927	2,905	-18,832	-12,740
Net income	19,250	19,080	169	25,985
Retained earnings carried forward from the previous period	41,228	46,314	-5,085	46,314
Interim dividends	-	-	-	5,000
Transfer to legal reserve	-	-	-	500
Unappropriated retained earnings	60,478	65,394	-4,915	66,799

Supplemental Financial Data

1. Forecast for fiscal 2002 (Consolidated Basis)

	Forecast for fiscal 2002	March 31, 2001	Change from the previous year
	Billions of yen	Billions of yen	Billions of yen
Operating revenues	1,186.0	1,195.5	-9.5
Operating income	110.0	111.8	-1.8
Recurring profit	61.5	56.0	5.4
Net income	41.0	30.9	10.0

2. Earnings forecast by segment

	Transportation	Sales of goods and food services	Real estate business	Other
	Billions of yen	Billions of yen	Billions of yen	Billions of yen
Operating revenues	866.0	223.5	68.5	178.5
Operating income	84.0	4.0	14.5	8.0

3. Forecast for fiscal 2002 (Non-Consolidated Basis)

	Forecast for fiscal 2002	March 31, 2001	Change from the previous year
	Billions of yen	Billions of yen	%
Operating revenues (Transportation)	868.0 (768.6)	881.4 (773.1)	-13.4 (-4.5)
Operating income	94.9	97.0	2.1
Recurring profit	49.0	43.4	5.5
Net income	32.0	25.9	6.0

4. Other detailed data

(Number of persons, Billion, %)

	September 30, 2001		September 30, 2000		Forecast for fiscal 2002	
	Consolidated Basis	Non-Consolidated Basis	Consolidated Basis	Non-Consolidated Basis	Consolidated Basis	Non-Consolidated Basis
Employees at end of period (Includes staff seconded to other companies)	45,526 -	31,549 (38,339)	46,935 -	32,874 (39,974)	- -	- -
Retirement payment costs	31.3	30.1	33.0	30.8	62.8	60.3
Number of employees entitled to retirement payment	2,558	2,014	1,751	1,252	4,856	3,960
Maintenance costs	-	53.9	-	48.2	-	118.6
Depreciation	56.4	47.6	58.3	49.5	116.1	98.2
Financial expenses, net	-28.2	-26.3	-31.5	-29.5	-53.9	-50.5
Interest and dividend income	0.4	0.7	0.6	0.8	0.6	0.8
Interest expenses	-28.7	-27.1	-32.1	-30.4	-54.5	-51.3
Capital expenditures	38.1	32.3	32.5	25.1	97.3	96.8
Own funds	29.4	23.5	26.2	18.7	97.3	96.8
Long-term debt and payables	1,266.0	1,151.1	1,462.2	1,345.5	1,270.0	1,180.0

Notes: 1. Figures less than ¥10 million have been omitted.

2. The number of employees on a consolidated and non-consolidated basis refers to regular staff only.