

May 12, 2003

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West Japan Railway Company

Flash Report (Consolidated and Non-Consolidated Basis)

Results for the year ended March 31, 2003

Forward-Looking Statements

Statements made in this report with respect to JR-West's plans, objectives, strategies, projected results, targets and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of JR-West that are based on management expectations, assumptions, estimates, and beliefs in light of the information currently available to it.

Such forward-looking statements are subject to various risks and uncertainties that could cause actual results to be different, possibly materially, from the results anticipated in the statements. Potential risks and uncertainties include, without limitation, the general economic conditions and business environment, consumer-spending trends, competitive conditions with companies other than JR-West and its affiliates, and changes to laws and regulations.

The contents of this document were, to be best of our knowledge, current and accurate as of May 12, 2003. However, the passage of time may have rendered the information in this document stale. We will not review this document after its posting on May 12, 2003 to determine whether it remains accurate, and information in this document may have been superseded by subsequent announcements. We disclaim any responsibility to update, revise or correct this document, whether as a result of new information, future events or otherwise.

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

URL: <http://www.westjr.co.jp>

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

President Takeshi Kakiuchi

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Date for Convening the Board of Directors Meeting for the Settlement of Accounts: May 9, 2003

Adoption of U.S. GAAP : No

1. Results for fiscal 2003 (April 1, 2002 to March 31, 2003)

(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 2003 | 1,165,571 | (-2.1) | 122,636 | (4.2) | 78,739 | (12.4) |
| Fiscal 2002 | 1,190,610 | (-0.4) | 117,649 | (5.2) | 70,041 | (24.9) |

| | 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 2003 | 41,644 | (-8.5) | 20,729.57 | - | 9.8 | 3.2 | 6.8 |
| Fiscal 2002 | 45,537 | (47.1) | 22,768.68 | - | 11.0 | 2.8 | 5.9 |

Notes: 1. Gain/(loss) on investment in equity method affiliates:

Year ended March 31, 2003: ¥468 million

Year ended March 31, 2002: ¥720million

2. Average number of shares outstanding during fiscal years:

Fiscal 2003: 2,000,000 shares

Fiscal 2002: 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 2003 | 2,432,713 | 440,556 | 18.1 | 220,274.29 |
| Fiscal 2002 | 2,416,787 | 411,480 | 17.0 | 205,740.04 |

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

Year ended March 31, 2003: 2,000,000 shares

Year ended March 31, 2002: 2,000,000 shares

(3) Cash flows

| | Operating activities | Investing activities | Financing activities | Cash at end of the period |
|-------------|----------------------|----------------------|----------------------|---------------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Fiscal 2003 | 130,222 | -63,392 | -71,543 | 89,310 |
| Fiscal 2002 | 99,590 | 17,790 | -167,196 | 94,023 |

(4) Number of subsidiaries and affiliates

Consolidated subsidiaries: 64

Unconsolidated subsidiaries: 0

Affiliates accounted for by the equity method: 4

(5) Changes in the scope of consolidation

The number of consolidated companies added: 1

The number of consolidated companies removed: 1

The number of equity method affiliates added: 0

The number of equity method affiliates removed: 1

2. Forecasts for fiscal 2004 (April 1, 2003 to March 31, 2004)

| | Operating revenues | Recurring profit | Net income |
|--------------------------------------------------------------|---------------------------|-------------------------|-------------------|
| | Millions of yen | Millions of yen | Millions of yen |
| Interim period (April 1, 2003 - September 30, 2003) | 596,400 | 40,900 | 23,300 |
| Fiscal year | 1,213,600 | 84,800 | 49,800 |

(Reference) Consolidated net income per share for the fiscal year is forecast to be ¥24,809.34

(1) BASIC MANAGEMENT POLICIES

1. Management Policy

The West Japan Railway Company Group companies (the JR-West Group) are principally engaged in railway operations. Complementary operations in sales of goods and food services and real estate are undertaken with the respective aims of providing services primarily to the JR-West Group's railway passengers and leveraging the commercial potential of its station premises and surrounding properties.

In the execution of these various operations and in line with basic management policy, West Japan Railway Company (JR-West) and its affiliated companies are working together as one to realize optimal use of their corporate resources and enhanced competitive strength in their 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 and operational systems for increased efficiency.

Amid today's difficult operating environment, JR-West will strive to increase corporate value and maximize the consolidated profit levels of the JR-West Group as a whole. Toward this goal, JR-West will accurately identify market trends while implementing all possible measures to enhance competitive strength in a strategic and timely manner with achieving optimal use of corporate resources.

2. Basic Policy Regarding the Distribution of Profits

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

3. Medium-Term Management Strategy

In November 2001, the JR-West Group established new medium-term management targets for fiscal 2002 to fiscal 2006. Under the collective title "The Second Stage of Railway Revitalization," these targets set the following basic policies:

1. Enhance the security and reliability we offer to our customers;
2. Contribute to the advancement and development of society and the economy, with the railway as our core business;
3. Increase corporate value and live up to the expectations of our shareholders;
4. Strive for business operations that are friendly to the global environment.

The following are JR-West's numerical targets for 2006:

1. Operating income ROA (Return on Assets): 5.4% (Consolidated);
2. Net income ROE (Return on Equity): 9.6% (Consolidated);
3. Operating income: ¥130.0 billion (Consolidated);
4. Net income: ¥50.0 billion (Consolidated);
5. Long-term debt: ¥1,100.0 billion (Consolidated), ¥1,000.0 billion (Non-consolidated);
6. Number of employees at the start of the fiscal year: 32,000 (Non-consolidated).

4. Management Issues

The operating environment surrounding the JR-West Group is expected to remain challenging, owing to such factors as the negative effects of the stagnant Japanese economy, persistent deflation, a decline in the size of Japan's labor force due to a declining birth rate and the graying of the population, and intensifying competition from rival transportation operations.

Against this background, the JR-West Group aims to maintain or raise profitability by providing value-added products and services that take into account societal changes and customer needs. In

addition, JR-West intends to reinforce its operational structure by reconfiguring administrative and operational systems and steadily implementing a variety of cost-cutting strategies, including the reduction of engineering expenses. JR-West is making utmost efforts to meet the needs of its customers and shareholders for years to come. In addition, JR-West will take all possible measures to facilitate the sale of all JR-West shares held by the Japan Railway Construction Public Corporation.

In light of the unfortunate accident involving the injury and death of two paramedics in November 2002, JR-West will drive forward with ongoing initiatives in both employee training and railway infrastructure designed to ensure safety and stability in its core railway operations. JR-West is taking various steps to secure revenues including a complete revision of the Sanyo Shinkansen Line's timetable and pricing system scheduled for October 1, 2003 as well as the introduction of ICOCA—a non-contact IC card system—in the Kyoto-Osaka-Kobe metropolitan network. JR-West is also continuing to fortify its operating structures in this segment by promoting even greater efficiency in administrative operations and changes in the overhead cost structure.

Meanwhile, in its Sales of Goods and Food Services, JR-West formulated its “NexStation Plan” in February 2003 to promote renovation and new development in and around stations. Based on this plan, JR-West is seeking to achieve optimal use of the JR-West Group's assets to further improve its operating base as it strives to maximize sales and profits for the JR-West Group.

JR-West is also working to generate inbound tourist demand for Kansai and western Japan from China, where future growth is anticipated, as part of efforts to pursue the development of new areas of business that match market changes as well as evolving user needs.

5. Corporate Governance Policy

JR-West endeavors to maximize shareholder's value through the pursuit of competitive and efficient operations. JR-West recognizes that solid corporate governance is vital, and its efforts in this area include work to restructure the Board of Directors.

To reinforce the supervisory function of the Board of Directors and accelerate the decision-making process, JR-West reduced the number of directors to facilitate active debate and introduced the corporate executive officer system, where the roles of executing operations are delegated from the directors to executive officers, which enables directors to concentrate their efforts on decision making.

In addition to such reforms, since its establishment, JR-West has welcomed individuals from outside the company that possess outstanding management prowess and considerable insight to serve as directors. JR-West receives valuable administrative advice from these outside directors. At present, two of the nine directors are outside directors. Proactively bringing on board directors with standpoints independent of the Company ensures the transparency of operations. Three of JR-West's four auditors are outside auditors.

(2) Performance Highlights

Amid growing uncertainty over the future of the Japanese economy due to such factors as increasing international tension, the operating environment was severe, as employment conditions remained bleak and deflation persisted, resulting in continued weak consumer spending and private capital investment.

Faced with such an environment, the JR-West Group worked toward achieving its medium-term management targets set in November 2001. It strived to raise profits, particularly in its core railway business, and to make efficient use of its assets, developing various policies designed to strengthen its operational structure.

As a result, the JR-West Group achieved the following consolidated results in fiscal 2003: operating revenues of ¥1,165.5 billion, down 2.1% year on year; operating income of ¥122.6 billion, up 4.2%; recurring profit of ¥78.7 billion, up 12.4%; and net income after taxes of ¥41.6 billion, down 8.5%.

1. Results by Business Segment (Consolidated Basis)

(1) Transportation Operations

JR-West continued to carry forward initiatives in both employee training and railway infrastructure designed to ensure safety and stability in its core railway operations. JR-West introduced a new operations control system on the JR Kyoto and Kobe Line (between Kusatsu and Nishi-Akashi) to convey timely and accurate information regarding delays and other relevant items to customers. In addition, JR-West leveraged its training center to elevate the skill levels of employees through practical guidance and training. However, there was an unfortunate accident involving the injury and death of two paramedics in November 2002. In response, JR-West reformulated its procedures for handling railway accidents involving injury or death to clarify concrete procedures for dealing with such accidents, launched a campaign to prevent individuals from engaging in dangerous acts along railway lines, and built railway safety barriers.

JR-West worked to bolster its competitive strength by adding additional 700 Series trains to its Sanyo Shinkansen Line and the enhanced the convenience and comfort of *Kodama* services by introducing 100 Series trains to offer faster service and increased departures in the Okayama and Hiroshima areas during commuting hours, while continuing to move to two-by-two reserved seating pattern. As for conventional lines, on the Kyoto-Osaka-Kobe metropolitan network (Urban Network), JR-West increased the number of early-morning Special Rapid and Rapid trains on its Lake Biwa Line, Hanwa Line, Yamatoji Line, and Gakkentoshi Line. JR-West also improved transportation access to Universal Studios™ Japan as well as provided extra train services and increased the number of cars on trains to coincide with the 2002 FIFA World Cup™. In its intercity transportation service, JR-West worked to reduce travel time and boost comfort by increasing the frequency of *Kita-Kinki* Limited Express trains and replacing *Shirasagi* Limited Express trains with new model rolling stock. In addition, along with the completion of electrification construction on Obama Line, new model rolling stock was added to the line in an effort to enhance transportation services.

JR-West's bus operations have tended to shrink, due to lackluster use of regular and chartered buses. However, JR-West has improved convenience and enhanced its road services by launching "Just Ride"—a system that enables access to the real-time information of highway buses' location—and enhancing such popular services as the *Tokaido Afternoon Limited Express*.

As a result, operating revenue for Transportation Operations fell 2.4%, to ¥847.1 billion, while operating income grew 5.5%, to ¥93.2 billion.

(2) Sales of Goods and Food Services

JR-West's efforts to bolster its retail operations within stations include the opening of *Deli Cafe* and *Dining Road* restaurant area inside Sannomiya Station as well as the expansion and remodeling of the *Omiyage Kaido* souvenir shopping area and *Books Kiosk* inside Shin-Osaka Station. JR-West also expanded its city retail operations with the opening of an accessory shop—*tini tini*—at Diamond City Terrace and a fashion store—*Jenne*—at Ebista Nishinomiya. Moreover, at JR Kyoto Isetan department store, which has enjoyed ongoing popularity since its opening, JR-West is carrying out various projects, including aggressive expansion and remodeling focused on enhancing the ladies fashion department.

Nevertheless, operating revenue totaled ¥227.5 billion, changing little from the previous year due primarily to sluggish sales at *Kiosk*—a station shop targeting commuters—and operating income declined 9.2%, to ¥4.3 billion.

(3) Real Estate

JR-West endeavored to develop its operations in and around stations and to utilize its assets even more effectively. JR-West remodeled and reopened the Tennoji Station shopping center *Station Plaza Tennoji*, the Sumiyoshi Station building *Liv*, and the Hiroshima Station Shinkansen shopping center. JR-West also opened a mini-station building at Yamashina Station and Amagasaki Station. Moreover, JR-West Development Company and JR-West Land Development Company merged to form JR-West Real Estate and Development Company. This merger aims to improve asset utilization by integrating real estate operation and development and to foster development by concentrating cash flow.

JR-West's real estate business saw operating revenue dip 0.7% from the previous year, to ¥68.2

billion, owing to such factors as slack sales of real estate lots. However, operating income rose 5.8%, to ¥16.1 billion.

(4) Other Businesses

In JR-West's hotel operations, the *Hotel Granvia Kyoto* completed the *bell monument* in the East Square of Kyoto Station, a location that is attracting a large number of customers and has been used for many wedding ceremonies. In advertising agency services, JR-West overhauled *Umeda Virtual Corridor* in Sakurabashi underpass at Osaka Station and worked to develop other new advertising media. In addition, to enhance convenience and boost profits, JR-West opened *JR Rokkomichi Kids Room*—a day-care center at Rokkomichi Station—as part of its station child care services business.

Overall, operating revenue rose 2.9% from the previous year, to ¥191.0 billion, owing to factors including increased construction orders. However, operating income edged down 3.4%, to ¥9.4 billion, due to the weak tone of the hotel industry.

2. Forecasts for Fiscal 2004

Economic conditions are expected to worsen and so, the JR-West Group is implementing various measures to make optimal use of management resources to secure stable earnings and profits and ultimately maximize corporate value.

Consolidated results forecasts for the year are as follows:

| | | |
|-------------------|---|-----------------|
| Operating revenue | ¥ | 1,213.6 billion |
| Operating income | ¥ | 124.3 billion |
| Recurring profit | ¥ | 84.8 billion |
| Net income | ¥ | 49.8 billion |

3. Financial Position

(1) Cash flows from operating activities

Although income before income taxes adjustments fell, cash flows from operating activities rose ¥30.6 billion from the same period in the previous fiscal year, to ¥130.2 billion, owing primarily to a decrease in allowance for retirement benefits.

(2) Cash flows from investing activities

Despite increased returns from investment in Nippon Travel Agency, measures to ensure safe and stable transportation, improvements in transport capabilities, and capital investment in station buildings and department stores led to cash flows used in investing activities amounting to ¥63.3 billion, down ¥81.1 billion from a ¥17.7 billion inflow during the same period in the previous fiscal year that was partially attributable to the sale of Japan Telecom stock.

(3) Cash flows from financing activities

A ¥57.2 billion reduction in long-term debt and the payment of dividends resulted in a ¥71.5 billion outflow, down ¥95.6 billion from the same period in the previous fiscal year, in which the sale of Japan Telecom stock was used to reduce long-term debt.

As a result of the aforementioned, stock, cash and cash equivalents at the end of the fiscal year totaled ¥89.3 billion, a ¥4.7 billion year-on-year decrease.

Cash Flow Indicators

| | FY2001 | FY2002 | FY2003 | FY2004 |
|-------------------------------------------|--------|--------|--------|--------|
| Equity Ratio (%) | 13.6 | 16.1 | 17.0 | 18.1 |
| Market-based rate of equity ratio (%) | 28.6 | 41.6 | 41.3 | 30.8 |
| Number of years of extinguishment of debt | 13.4 | 11.2 | 10.3 | 10.1 |
| Interest coverage ratio | 1.6 | 1.8 | 2.2 | 2.5 |

Notes:

Equity ratio : shareholders' equity/total assets

Market-based rate of equity ratio: total market capitalization/total assets

Number of years of extinguishment of debt: interest-bearing debt / (operating income + interest & dividend income)

Interest coverage ratio: (operating income + interest & dividend income) / interest expense

Notes:

1. All of the figures in the above table indices were calculated on a consolidated basis.

2. Total market capitalization was calculated by multiplying the closing stock price at the end of the term by the total amount of outstanding stock at the end of the term (excluding treasury stock).

CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | |
|----------------------------------------------|------------------|------------------|----------------------------------|
| | 2003 | 2002 | Change from the previous year |
| ASSETS | | | |
| Current assets: | | | |
| Cash | 90,016 | 94,361 | -4,344 |
| Trade notes receivable | 11,814 | 11,585 | 229 |
| Railway fares receivable | 10,952 | 18,383 | -7,431 |
| Accounts receivable | 35,025 | 14,771 | 20,253 |
| Income tax receivable | 546 | 13 | 532 |
| Marketable securities | 2 | 169 | -167 |
| Inventory | 13,988 | 12,030 | 1,958 |
| Deferred tax assets | 20,153 | 16,450 | 3,702 |
| Other current assets | 32,096 | 24,594 | 7,502 |
| Less allowance for doubtful accounts | -520 | -400 | -120 |
| Total current assets | 214,075 | 191,960 | 22,114 |
| Fixed assets: | | | |
| Property, plant and equipment: | 2,064,287 | 2,084,308 | -20,020 |
| Buildings | 1,039,369 | 1,077,195 | -37,826 |
| Machinery, equipment and transport equipment | 219,272 | 221,507 | -2,235 |
| Land | 681,118 | 680,850 | 267 |
| Construction in progress | 86,083 | 69,122 | 16,960 |
| Other property, plant and equipment | 38,443 | 35,630 | 2,812 |
| Intangible fixed assets | 11,629 | 7,024 | 4,604 |
| Consolidation goodwill | 437 | 291 | 145 |
| Other | 11,192 | 6,733 | 4,459 |
| Investments and other assets: | 142,681 | 133,420 | 9,261 |
| Investment securities | 55,858 | 60,892 | -5,034 |
| Deferred tax assets | 61,394 | 51,641 | 9,752 |
| Other investments and assets | 26,785 | 21,814 | 4,971 |
| Less allowance for doubtful accounts | -1,356 | -927 | -428 |
| Total fixed assets | 2,218,599 | 2,224,753 | -6,153 |
| Deferred assets | 39 | 73 | -34 |
| Total assets | 2,432,713 | 2,416,787 | 15,926 |

CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | |
|--------------------------------------------------------------------------------|------------------|------------------|----------------------------------|
| | 2003 | 2002 | Change from the previous year |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Trade notes payable | 40,655 | 39,101 | 1,554 |
| Short-term loans | 4,138 | 7,694 | -3,556 |
| Current portion of long-term debt | 55,927 | 45,670 | 10,257 |
| Current portion of long-term payables for acquisition of railway properties | 35,488 | 34,708 | 779 |
| Accounts payable | 90,040 | 82,951 | 7,089 |
| Accrued consumption tax | 4,608 | 7,895 | -3,287 |
| Accrued income tax | 24,254 | 30,093 | -5,838 |
| Railway deposits received | 4,323 | 7,762 | -3,438 |
| Deposits received | 75,426 | 26,239 | 49,187 |
| Prepaid railway fares received | 28,576 | 28,401 | 174 |
| Advances received | 88,189 | 74,832 | 13,357 |
| Less allowance for bonuses | 38,283 | 40,378 | -2,094 |
| Provision for loss on guarantees | 100 | - | 100 |
| Reserve for compensation of completion of construction | 40 | 40 | -0 |
| Reserve for repairs on concrete structures | 3,616 | - | 3,616 |
| Other current liabilities | 24,287 | 25,665 | -1,378 |
| Total current liabilities | 517,956 | 451,434 | 66,522 |
| Long-term liabilities: | | | |
| Bonds | 215,000 | 215,000 | - |
| Long-term debt | 318,524 | 351,402 | -32,877 |
| Long-term payables for acquisition of railway properties | 575,774 | 611,178 | -35,404 |
| Long-term payables for leased railway facilities | 46,817 | 40,836 | 5,980 |
| Deferred tax liabilities | 1,360 | 1,833 | -472 |
| Retirement allowances for employees | 181,763 | 190,811 | -9,048 |
| Reserve for repairs on concrete structures | - | 9,650 | -9,650 |
| Other long-term liabilities | 113,629 | 114,298 | -668 |
| Total long-term liabilities | 1,452,869 | 1,535,011 | -82,142 |
| Total liabilities | 1,970,826 | 1,986,446 | -15,620 |
| Minority interest | 21,330 | 18,861 | 2,469 |
| Shareholders' equity | | | |
| Capital stock | 100,000 | 100,000 | - |
| Capital surplus | 55,000 | 55,000 | - |
| Consolidated retained earnings | 281,695 | 250,513 | 31,181 |
| Evaluation differences on other securities | 4,188 | 5,966 | -1,777 |
| Treasury stock | -327 | - | -327 |
| Total shareholders' equity | 440,556 | 411,480 | 29,076 |
| Total liabilities, minority interest, and shareholders' equity | 2,432,713 | 2,416,787 | 15,926 |

CONSOLIDATED STATEMENTS OF INCOME

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | |
|----------------------------------------------------------------|------------------|------------------|----------------------------------|
| | 2003 | 2002 | Change from the previous year |
| Operating revenues | 1,165,571 | 1,190,610 | -25,039 |
| Operating expenses: | | | |
| Transportation and other services and cost of sales | 889,386 | 911,241 | -21,854 |
| Selling, general and administrative expenses | 153,548 | 161,719 | -8,170 |
| | 1,042,935 | 1,072,960 | -30,025 |
| Operating income | 122,636 | 117,649 | 4,986 |
| Nonoperating revenues: | | | |
| Interest | 60 | 243 | -182 |
| Dividend | 238 | 319 | -81 |
| Amortization of consolidated adjustment | - | 530 | -530 |
| Equity in earnings of affiliates | 468 | 720 | -252 |
| Other | 5,600 | 6,465 | -864 |
| | 6,368 | 8,279 | -1,911 |
| Nonoperating expenses: | | | |
| Interest | 49,151 | 54,380 | -5,228 |
| Other | 1,113 | 1,507 | -394 |
| | 50,264 | 55,887 | -5,623 |
| Recurring profit | 78,739 | 70,041 | 8,697 |
| Extraordinary profits: | | | |
| Proceeds from construction contract | 29,944 | 30,963 | -1,018 |
| Compensation for expropriation | 6,202 | - | 6,202 |
| Gain on investment securities | 1,852 | 68,488 | -66,635 |
| Other | 6,535 | 9,783 | -3,248 |
| | 44,534 | 109,235 | -64,700 |
| Extraordinary losses: | | | |
| Loss on reduction entry of proceeds from construction | 29,593 | 28,837 | 755 |
| Loss on reduction entry of compensation for expropriation | 6,189 | - | 6,189 |
| Loss on transfer of debt | - | 23,178 | -23,178 |
| Repair expenses for elevated track of Shinkansen | - | 15,872 | -15,872 |
| Loss on investment securities | 3,509 | 9,072 | -5,563 |
| Other | 6,359 | 19,069 | -12,709 |
| | 45,652 | 96,030 | -50,378 |
| Income before income taxes | 77,622 | 83,246 | -5,624 |
| Corporation, inhabitants and enterprise taxes | 44,453 | 48,366 | -3,912 |
| Income taxes-deferred | -9,934 | -14,156 | 4,221 |
| Minority interests in earnings of consolidated subsidiaries | 1,458 | 3,499 | -2,040 |
| Net income | 41,644 | 45,537 | -3,893 |

APPROPRIATION OF CONSOLIDATED RETAINED EARNINGS

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | |
|------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|-------------------------------|
| | 2003 | 2002 | Change from the previous year |
| Capital surplus at beginning of the period | 55,000 | 55,000 | - |
| Capital surplus at the end of the period | 55,000 | 55,000 | - |
| Retained earnings at beginning of the period | 250,513 | 214,990 | 35,523 |
| Increase in retained earnings | 41,644 | 45,643 | -3,999 |
| Net income | 41,644 | 45,537 | -3,893 |
| Increase in retained earnings due to merger between a consolidated subsidiary and an affiliate | - | 106 | -106 |
| Appropriations of retained earnings | 10,462 | 10,120 | 342 |
| Cash dividends | 10,000 | 10,000 | - |
| Directors' bonuses | 151 | 120 | 31 |
| (Including corporate auditors' bonuses) | (23) | (17) | (5) |
| Decrease in retained earnings due to newly consolidated a subsidiary which had been accounted for by the equity method | 46 | - | 46 |
| Decrease in retained earnings due to change in ownership ratio of a newly consolidated subsidiary | 264 | - | 264 |
| Retained earnings at the end of the period | 281,695 | 250,513 | 31,181 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | |
|------------------------------------------------------------------------------------------------------|-----------------|-----------------|-------------------------------|
| | 2003 | 2002 | Change from the previous year |
| I. Cash flows from operating activities | | | |
| Income before income taxes adjustments | 77,622 | 83,246 | -5,624 |
| Depreciation and amortization | 113,040 | 115,160 | -2,119 |
| Loss on reduction entry of fixed assets | 29,744 | 28,837 | 906 |
| Loss from disposal of fixed assets | 8,603 | 9,284 | -680 |
| Loss on write-down of investment securities | 3,483 | 9,072 | -5,589 |
| Amortization of consolidation adjustment | 50 | -530 | 580 |
| Increase in allowance for doubtful accounts | 136 | 818 | -682 |
| Decrease in allowance for retirement benefits | -14,833 | -40,302 | 25,468 |
| Decrease in allowance for bonuses | -2,094 | -622 | -1,471 |
| Increase in other reserves | -5,864 | 9,813 | -15,678 |
| Interest and dividends receivable | -298 | -562 | 264 |
| Interest expenses | 49,151 | 54,380 | -5,228 |
| Investment income from accounted for by the equity method | -468 | -720 | 252 |
| Contributions for the construction of railway facilities receivable | -29,944 | -30,963 | 1,018 |
| Increase in accounts receivable | 5,893 | 3,925 | 1,968 |
| Decrease in inventories | -1,761 | 302 | -2,063 |
| Increase in accounts payable | 3,892 | -4,990 | 8,882 |
| Decrease in accrued consumption tax | -3,287 | -915 | -2,371 |
| Other | -2,801 | -43,465 | 40,663 |
| Sub-total | 230,263 | 191,767 | 38,496 |
| Interest and dividends received | 349 | 560 | -210 |
| Interest paid | -49,481 | -54,713 | 5,232 |
| Income taxes paid | -50,377 | -38,129 | -12,248 |
| Income taxes refunded | -532 | 105 | -637 |
| Net cash provided by operating activities | 130,222 | 99,590 | 30,631 |
| II. Cash flows from investing activities | | | |
| Cash placed in time deposits (maturities of more than 3 months) | -0 | -3,530 | 3,530 |
| Cash withdrawn from time deposits (maturities of more than 3 months) | 379 | 5,328 | -4,948 |
| Purchases of property, plant and equipment | -137,715 | -120,277 | -17,437 |
| Proceeds from sales of property, plant and equipment | 5,750 | 7,333 | -1,583 |
| Receipts of contributions for the construction of railway facilities | 42,515 | 41,658 | 857 |
| Purchases of investment securities | -2,300 | -867 | -1,432 |
| Proceeds from sales of investment securities | 3,847 | 87,735 | -83,888 |
| Increases due to changes in the scope of consolidation | 25,036 | - | 25,036 |
| Increase in loans | -250 | -795 | 544 |
| Collections of loans and advances | 519 | 313 | 205 |
| Other | -1,173 | 893 | -2,066 |
| Net cash used in investing activities | -63,392 | 17,790 | -81,183 |
| III. Cash flows from financing activities | | | |
| Change in short-term borrowings, net | -4,156 | -6,182 | 2,025 |
| Increase in long-term debt | 24,700 | 39,117 | -14,417 |
| Repayment of long-term debt | -43,374 | -72,856 | 29,482 |
| Proceeds from issuance of bonds | - | 15,000 | -15,000 |
| Long-term payables for acquisition of railway properties | -38,571 | -108,961 | 70,390 |
| Cash dividends | -10,015 | -10,009 | -5 |
| Payment of cash dividends to minority interests | -125 | -125 | - |
| Other | - | -23,178 | 23,178 |
| Net cash used in financing activities | -71,543 | -167,196 | 95,653 |
| IV. Change in cash and cash equivalents, net | -4,713 | -49,814 | 45,101 |
| V. Cash and cash equivalents at beginning of the period | 94,023 | 143,781 | -49,758 |
| VI. Change in cash and cash equivalents accompanying consolidation of additional subsidiaries | - | 56 | -56 |
| VII. Cash and cash equivalents at the end of the period | 89,310 | 94,023 | -4,713 |

SEGMENT INFORMATION

1. Information by business segment

Fiscal 2002 (April 1, 2001 to March 31, 2002)

| | 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 | 852,188 | 195,262 | 57,693 | 85,464 | 1,190,610 | — | 1,190,610 |
| Intergroup operating revenues and transfers | 16,010 | 32,342 | 11,228 | 100,174 | 159,756 | -159,756 | — |
| Total sales | 868,199 | 227,605 | 68,922 | 185,639 | 1,350,366 | -159,756 | 1,190,610 |
| Operating expenses | 779,797 | 222,829 | 53,559 | 175,821 | 1,232,007 | -159,047 | 1,072,960 |
| Operating income | 88,401 | 4,776 | 15,363 | 9,817 | 118,358 | -708 | 117,649 |
| Assets, depreciation, and capital expenditures: | | | | | | | |
| Total assets | 1,843,979 | 64,903 | 302,942 | 209,386 | 2,421,212 | -4,424 | 2,416,787 |
| Depreciation | 95,946 | 1,966 | 11,620 | 5,626 | 115,160 | — | 115,160 |
| Capital expenditures | 104,459 | 2,307 | 7,188 | 6,308 | 120,264 | — | 120,264 |

Fiscal 2003 (April 1, 2001 to March 31, 2003)

| | 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 | 831,521 | 193,083 | 57,265 | 83,700 | 1,165,571 | - | 1,165,571 |
| Intergroup operating revenues and transfers | 15,638 | 34,491 | 11,004 | 107,299 | 168,434 | -168,434 | - |
| Total sales | 847,160 | 227,574 | 68,270 | 191,000 | 1,334,006 | -168,434 | 1,165,571 |
| Operating expenses | 753,895 | 223,239 | 52,149 | 181,516 | 1,210,801 | -167,865 | 1,042,935 |
| Operating income | 93,265 | 4,335 | 16,120 | 9,483 | 123,205 | -569 | 122,636 |
| Assets, depreciation, and capital expenditures: | | | | | | | |
| Total assets | 1,820,808 | 67,267 | 292,546 | 260,662 | 2,441,285 | -8,571 | 2,432,713 |
| Depreciation | 93,237 | 2,036 | 12,031 | 5,734 | 113,040 | - | 113,040 |
| Capital expenditures | 116,554 | 4,059 | 7,564 | 8,874 | 137,052 | - | 137,052 |

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; ¥115,579 million (parent company's surplus funds under management (cash and negotiable securities) and deferred tax assets.

Current consolidated fiscal year under review; ¥105,775 million (parent company's surplus funds under management (cash and negotiable securities) and deferred tax assets.

2. Information by location

As there were no overseas subsidiaries in fiscal 2002 or 2003, this item was not included.

3. Overseas sales

As there were no overseas sales in fiscal 2002 or 2003, this item was not included.

4. Transactions with affiliates

| Attribute | Name of the Company | Address | Capital Stock | Description of Business | Ratio of Voting Rights Possession | Description of Relationship | | Description of Transactions | Transaction Amount | Item | Term-end balance |
|-----------|--------------------------|-----------------|----------------|-------------------------|-----------------------------------|-------------------------------------|------------------------|-----------------------------|--------------------|-----------------|------------------|
| | | | | | | Directors Holding Concurrent Posts | Business Relationships | | | | |
| Affiliate | Daitetsu Kogyo Co., Ltd. | Yodogawa, Osaka | ¥1,232 million | Construction | Direct 36.9% | Concurrent Posts: 2 Transfers: 3 | | Capital loan transaction | ¥33,900 million | Short-term loan | - |
| | | | | | | | | Capital loan transaction | ¥35,400 million | Short-term loan | - |

5. Notes regarding per-share data

Accounting standards regarding the liquidation of treasury stock and legal reserves (Corporate Accounting Standard No. 1) as well as accounting standards regarding net income per share (Corporate Accounting Standard No. 2) and accounting standards application guidelines regarding net income per share (Corporate Accounting Standards Application Guideline No. 4) were applied as of fiscal 2003.

In addition, per-share data for the previous fiscal year calculated using the same accounting standards as those applied during the fiscal year under review is included.

| Per Share Data | | 2003 | 2002 |
|----------------------|---|------------|------------|
| Shareholders' equity | ¥ | 220,274.29 | 205,577.12 |
| Net income | ¥ | 20,729.57 | 22,678.32 |

Notes:

- Diluted net income per share was not included, as there were no dilutive instruments.
- Basic net income per share computation is as follows.

| | | Year ended March 31, 2003: | Year ended March 31, 2002: |
|----------------------------------------------------------|---------------------|----------------------------|----------------------------|
| Net income per share | | | |
| Net income | Millions of yen | 41,644 | 45,537 |
| Amount not attributed to ordinary shareholders | Millions of yen | 203 | 180 |
| (Bonuses to directors by distribution of net profit) | Millions of yen | (203) | (180) |
| Net income attributable to common stock | Millions of yen | 41,440 | 45,358 |
| Average number of outstanding shares for the fiscal year | Thousands of shares | 1,999 | 1,999 |

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

URL: <http://www.westjr.co.jp>

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

President Takeshi Kakiuchi

For further information, please contact: Tatsuo Kijima, General Manager, Corporate Communications Department

Telephone: +81-6-6375-8889

Date for Convening the Board of Directors Meeting for the Settlement of Accounts: May 9, 2002

Date of the General Meeting of the Shareholders: June 26, 2002

Interim dividends: Yes

Unit stock system: No

1. Results for fiscal 2003 (April 1, 2002 to March 31, 2003)

(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 2003 | 849,090 | (-2.4) | 103,293 | (3.8) | 61,391 | (13.5) |
| Fiscal 2002 | 869,887 | (-1.3) | 99,533 | (2.5) | 54,092 | (24.5) |

| | 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 2003 | 33,490 | (2.9) | 16,695.59 | - | 8.4 | 2.9 | 7.2 |
| Fiscal 2002 | 32,546 | (25.3) | 16,273.31 | - | 8.2 | 2.5 | 6.2 |

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

Fiscal 2003: 2,000,000 shares

Fiscal 2002: 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 |
|-------------|-----------------------------------------|-------------------|--------------------|--------------------------------------------------------|--------------|-----------------------------------------|
| | | Interim dividends | Year-end dividends | | | |
| | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal 2003 | 5,000.00 | 2,500.00 | 2,500.00 | 10,000 | 29.9 | 2.4 |
| Fiscal 2002 | 5,000.00 | 2,500.00 | 2,500.00 | 10,000 | 30.7 | 2.6 |

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 2003 | 2,116,874 | 410,745 | 19.4 | 205,323.44 |
| Fiscal 2002 | 2,135,756 | 388,662 | 18.2 | 194,331.30 |

Notes: 1. Number of shares outstanding at fiscal year-end:

Fiscal 2003: 2,000,000 shares

Fiscal 2002: 2,000,000 shares

2. Number of shares of treasury stock at fiscal year-end:

Fiscal 2003: 0 shares

Fiscal 2002: 0 shares

2. Forecasts for fiscal 2004 (April 1, 2003 to March 31, 2004)

| | 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 2004 | 419,800 | 35,600 | 20,900 | 2,500.00 | - | - |
| Fiscal 2004 | 837,400 | 65,800 | 41,600 | - | 2,500.00 | 5,000.00 |

(Reference) Net income per share for the fiscal year is forecast to be ¥20,750.50.

NON-CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | |
|--------------------------------------|------------------|------------------|----------------------------------|
| | 2003 | 2002 | Change from the previous year |
| ASSETS | | | |
| Current assets: | | | |
| Cash | 38,440 | 49,687 | -11,247 |
| Railway fares receivable | 12,271 | 18,019 | -5,747 |
| Accounts receivable | 9,921 | 10,398 | -477 |
| Accrued income | 4,945 | 4,950 | -4 |
| Short-term loans | 8,405 | 830 | 7,575 |
| Real estate for sale | 85 | 121 | -36 |
| Materials and supplies | 2,979 | 2,942 | 37 |
| Prepaid expenses | 1,894 | 1,914 | -20 |
| Deferred tax assets | 15,537 | 12,618 | 2,918 |
| Other current assets | 7,747 | 7,600 | 146 |
| Less allowance for doubtful accounts | -96 | -267 | 171 |
| Total current assets | 102,131 | 108,816 | -6,685 |
| Fixed assets: | | | |
| Railway | 1,566,303 | 1,598,106 | -31,802 |
| Ferry | 189 | 214 | -25 |
| Other operations | 60,831 | 64,539 | -3,707 |
| Related business | 88,360 | 91,010 | -2,649 |
| Construction in progress | 85,149 | 68,834 | 16,314 |
| Investments and advances: | 213,909 | 204,233 | 9,675 |
| Investment securities | 16,233 | 23,968 | -7,734 |
| Stocks of subsidiaries | 126,391 | 119,718 | 6,673 |
| Long-term loans | 9,574 | 5,425 | 4,148 |
| Long-term prepaid expense | 3,011 | 3,008 | 3 |
| Deferred tax assets | 51,814 | 45,083 | 6,730 |
| Other investments and advances | 7,870 | 7,709 | 161 |
| Less allowance for doubtful accounts | -987 | -680 | -306 |
| Total fixed assets | 2,014,743 | 2,026,939 | -12,196 |
| Total assets | 2,116,874 | 2,135,756 | -18,881 |

NON-CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | |
|-----------------------------------------------------------------------------------|------------------|------------------|----------------------------------|
| | 2003 | 2002 | Change from the previous year |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Short-term borrowings | 66,427 | 42,663 | 23,764 |
| Current portion of long-term debt | 44,976 | 33,760 | 11,216 |
| Current portion of long-term payables to the acquisition of railway properties | 35,488 | 34,708 | 779 |
| Current portion of long-term payables | 1,168 | 3,946 | -2,778 |
| Accounts payable | 99,547 | 98,394 | 1,153 |
| Accrued expenses | 14,641 | 13,660 | 981 |
| Accrued consumption tax | 2,873 | 4,985 | -2,112 |
| Accrued income tax | 20,410 | 25,431 | -5,021 |
| Railway deposits received | 5,056 | 8,393 | -3,337 |
| Deposits | 12,800 | 15,706 | -2,906 |
| Prepaid railway fares received | 28,510 | 28,328 | 182 |
| Deposits received | 85,853 | 72,914 | 12,938 |
| Advance payments received | 433 | 441 | -7 |
| Allowance for bonuses | 31,768 | 33,916 | -2,147 |
| Reserve for repairs on concrete structures | 3,616 | - | 3,616 |
| Other current liabilities | 609 | 303 | 305 |
| Total current liabilities | 454,180 | 417,553 | 36,627 |
| Long-term liabilities: | | | |
| Bonds | 215,000 | 215,000 | - |
| Long-term debt | 214,947 | 236,873 | -21,926 |
| Long-term payables to acquisition of railway properties | 575,774 | 611,178 | -35,404 |
| Long-term payables | 28,843 | 30,011 | -1,168 |
| Long-term payables for leased railway facility | 46,817 | 40,836 | 5,980 |
| Retirement allowances for employees | 165,583 | 180,892 | -15,309 |
| Reserve for repairs on concrete structures | - | 9,650 | -9,650 |
| Other long-term liabilities | 4,983 | 5,097 | -114 |
| Total long-term liabilities | 1,251,948 | 1,329,540 | -77,592 |
| Total liabilities | 1,706,128 | 1,747,093 | -40,964 |
| Shareholders' equity: | | | |
| Capital stock | 100,000 | 100,000 | - |
| Capital surplus | 55,000 | 55,000 | - |
| Capital reserve | 55,000 | 55,000 | - |
| Retained earnings: | 253,513 | 230,102 | 23,410 |
| Earned legal surplus | 11,327 | 11,327 | - |
| Voluntary reserves | 172,820 | 150,000 | 22,820 |
| Reserved for advanced depreciation on property | 2,820 | - | 2,820 |
| Other reserves | 170,000 | 150,000 | 20,000 |
| Unappropriated retained earnings | 69,364 | 68,775 | 589 |
| Evaluation differences on other securities | 2,232 | 3,559 | -1,326 |
| Total shareholders' equity | 410,745 | 388,662 | 22,083 |
| Total liabilities and shareholders' equity | 2,116,874 | 2,135,756 | -18,881 |

NON-CONSOLIDATED STATEMENTS OF INCOME

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | |
|--------------------------------|-----------------|----------------|-------------------------------|
| | 2003 | 2002 | Change from the previous year |
| Operating revenues | 849,090 | 869,887 | -20,797 |
| Transportation | 752,390 | 770,259 | -17,869 |
| Transportation incidentals | 23,808 | 24,609 | -801 |
| Other operations | 18,451 | 18,385 | 66 |
| Travel Business | 1,799 | 6,452 | -4,653 |
| Miscellaneous | 52,640 | 50,179 | 2,460 |
| Operating expenses | 745,796 | 770,354 | -24,557 |
| Personnel costs | 301,671 | 330,540 | 28,869 |
| Non-personnel costs | 288,250 | 281,266 | 6,984 |
| Energy costs | 38,480 | 39,233 | -752 |
| Maintenance costs | 122,605 | 116,878 | 5,727 |
| Miscellaneous costs | 127,165 | 125,154 | 2,011 |
| Rental payments for JRCPC. etc | 31,096 | 31,389 | -292 |
| Taxes | 29,308 | 30,042 | -734 |
| Depreciation | 95,468 | 97,115 | -1,647 |
| Operating income | 103,293 | 99,533 | 3,760 |
| Nonoperating revenues | 5,331 | 6,263 | -931 |
| Nonoperating expenses | 47,233 | 51,703 | -4,470 |
| Recurring profit | 61,391 | 54,092 | 7,299 |
| Extraordinary profit | 42,699 | 105,142 | -62,442 |
| Extraordinary loss | 41,165 | 99,677 | -58,512 |
| Income before income taxes | 62,926 | 59,557 | 3,368 |
| Income taxes-current | 38,023 | 41,243 | -3,220 |
| Income taxes-deferred | -8,587 | -14,232 | 5,645 |
| Net income | 33,490 | 32,546 | 943 |

APPROPRIATION OF RETAINED EARNINGS

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

| | Millions of yen | | |
|---------------------------------------------------------------|-----------------|---------------|-------------------------------|
| | 2003 | 2002 | Change from the previous year |
| Unappropriated retained earnings for the current year | 69,364 | 68,775 | 589 |
| Reversal of reserve for advanced depreciation of fixed assets | 288 | 18 | 270 |
| Total | 69,653 | 68,793 | 859 |
| Appropriation is proposed as follows: | | | |
| Cash dividends to shareholders | 5,000 | 5,000 | - |
| [per share] | (¥2,500) | (¥2,500) | |
| Directors' bonuses | 99 | 80 | 19 |
| [Including corporate auditors' bonuses] | [18] | [16] | [1] |
| Reserve for advanced depreciation of fixed assets | 894 | 2,839 | -1,944 |
| General reserve | 20,000 | 20,000 | - |
| Retained earnings carried forward to the next period | 43,660 | 40,874 | 2,785 |

Notes: 1. Interim dividends for fiscal 2002 were paid on December 11, 2001: ¥5 billion (¥2,500 per share)

2. Interim dividends for fiscal 2003 were paid on December 11, 2002: ¥5 billion (¥2,500 per share)

Supplemental Financial Data

1. Forecasts for fiscal 2004 (Consolidated Basis)

| | Forecast for fiscal 2004 | March 31, 2003 | Change from the previous year |
|--------------------|--------------------------|-----------------|-------------------------------|
| | Billions of yen | Billions of yen | Billions of yen |
| Operating revenues | 1,213.6 | 1,165.5 | 48 |
| Operating income | 124.3 | 122.6 | 1.6 |
| Recurring profit | 84.8 | 78.7 | 6.0 |
| Net income | 49.8 | 41.6 | 8.1 |

2. Earnings forecasts for fiscal 2004 by segment (Consolidated Basis)

| | Transportation | Sales of goods and food services | Real estate | Other |
|--------------------|-----------------|----------------------------------|-----------------|-----------------|
| | Billions of yen | Billions of yen | Billions of yen | Billions of yen |
| Operating revenues | 835.8 | 230.3 | 69.6 | 2,536 |
| Operating income | 93.4 | 4.8 | 16.5 | 10.2 |

3. Forecasts for fiscal 2004 (Non-Consolidated Basis)

| | Forecast for fiscal 2004 | March 31, 2003 | Change from the previous year |
|--------------------|--------------------------|-----------------|-------------------------------|
| | Billions of yen | Billions of yen | Billions of yen |
| Operating revenues | 837.4 | 849.0 | -11.6 |
| (Transportation) | (742.0) | (752.3) | -10.3 |
| Operating income | 104.0 | 103.2 | 0.7 |
| Recurring profit | 65.8 | 61.3 | 4.4 |
| Net income | 41.6 | 33.4 | 8.1 |

4. Other detailed data

(People, Billions of yen, %)

| | March 31, 2003 | | March 31, 2002 | |
|----------------------------------------------------|--------------------|-------------------------|--------------------|-------------------------|
| | Consolidated Basis | Non- Consolidated Basis | Consolidated Basis | Non- Consolidated Basis |
| Employees at end of period | 42,031 | 28,688 | 43,394 | 29,875 |
| (Includes staff seconded to other companies) | - | (34,114) | - | (36,174) |
| Retirement payment costs | 60.3 | 57.0 | 62.9 | 60.2 |
| Number of employees entitled to retirement payment | 3,545 | 2,537 | 4,851 | 3,940 |
| Maintenance costs | - | 122.6 | - | 116.8 |
| Depreciation | 113.0 | 95.4 | 115.1 | 97.1 |
| Financial expenses, net | -48.8 | -46.0 | -53.8 | -50.3 |
| Interest and dividend income | 0.2 | 0.5 | 0.5 | 0.8 |
| Interest expenses | -49.1 | -46.6 | -54.3 | -51.1 |
| Capital expenditures | 137.0 | 117.3 | 120.2 | 121.1 |
| Own funds | 105.4 | 85.7 | 88.3 | 89.2 |
| Long-term debt and payables | 1,200.7 | 1,116.1 | 1,257.9 | 1,165.4 |

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.

5. Comparison with numeric targets of Mid-term Management

| | | | Millions of yen | | |
|--------------------|--------------------|-------------|-----------------|--------------------------|-------------------------------------------|
| | | | Fiscal 2003 | Forecast for fiscal 2004 | Mid-term Management Targets (Fiscal 2006) |
| ROA | | | | | |
| (Operating Income) | (consolidated) | % | 5.1 | 5.1 | 5.4 |
| Operating Income | (consolidated) | billion yen | 122.6 | 124.3 | 130.0 |
| Net Income | (consolidated) | billion yen | 41.6 | 49.8 | 50.0 |
| Long-term Debt | (consolidated) | billion yen | 1,200.7 | 1,170.0 | 1,100.0 |
| Long-term Debt | (non-consolidated) | billion yen | 1,116.1 | 1,095.0 | 1,000.0 |
| Head Count | (non-consolidated) | people | 36,497 | 34,569 | 32,000 |