

West Japan Railway Company

Flash Report (Consolidated and Non-Consolidated Basis)

Results for the period ended September 30, 2003

Forward-Looking Statements

Statements made in this release with respect to JR-West's plans, objectives, strategies, beliefs, including any forecasts or projections, 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 following:

- economic recession, deflation, declines in population or other factors that negatively affect our businesses;
- adverse changes in governmental regulations and guidelines;
- service improvements and decreases in price among competitors;
- declines in operating revenues or unexpected increases in costs;
- liability or adverse publicity associated with property or casualty losses; and
- earthquake and other natural disaster risks.

Information for which the date is not specified in this release is as of November 10, 2003. JR-West does not undertake to revise forward-looking statements to reflect future events or circumstances.

The contents of this document were, to be best of our knowledge, current and accurate as of November 10, 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posting on November 10, 2003 to determine whether it remains accurate, and information in this document may have been superseded by subsequent announcements.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

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Date for Convening the Board of Directors Meeting for Approval of the Consolidated Financial Statements: November 7, 2003

Adoption of U.S. GAAP: No

1. Results for the six months ended September 30, 2003

(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	
Six months ended September 30, 2003	592,204	(2.2)	62,829	(-5.5)	41,509	(-1.1)
Six months ended September 30, 2002	579,642	(-2.3)	66,466	(1.4)	41,976	(7.8)
Year ended March 31, 2003	1,165,571		122,636		78,739	

	Net income (% change from the previous interim period)		Net income per share	Net income per share after dilution
	Millions of yen		Yen	Yen
Six months ended September 30, 2003	26,867	(15.4)	13,439.57	-
Six months ended September 30, 2002	23,282	(-1.9)	11,646.36	-
Year ended March 31, 2003	41,644		20,740.12	-

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

Six months ended September 30, 2003: ¥ 620 million

Six months ended September 30, 2002: ¥ -568 million

Year ended March 31, 2003: ¥ 468million

2. Average number of shares outstanding during period:

Six months ended September 30, 2003: 1,999,115 shares

Six months ended September 30, 2002: 1,999,115 shares

Year ended March 31, 2003: : 1,999,115 shares

3. There were no changes in accounting policies.

4. Percentages indicate increase/(decrease) in operating revenues, operating income, recurring profit, and net income relative to previous semiannual period.

(2) Financial position

	Total assets	Total shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Six months ended September 30, 2003	2,404,612	463,317	19.3	231,761.51
Six months ended September 30, 2002	2,381,922	428,620	18.0	214,241.36
Year ended March 31, 2003	2,432,713	440,556	18.1	220,284.84

Note: Number of shares outstanding at period end(Consolidated basis):

Six months ended September 30, 2003: 1,999,115 shares

Six months ended September 30, 2002: 1,999,115 shares

Year ended March 31, 2003: 1,999,115 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
Six months ended September 30, 2003	36,020	-49,268	-18,739	58,121
Six months ended September 30, 2002	43,469	-30,199	-33,251	74,042
Year ended March 31, 2003	130,222	-63,392	-71,543	89,310

(4) Number of subsidiaries and affiliates

Consolidated subsidiaries: 66

Unconsolidated subsidiaries: 0

Affiliates accounted for by the equity method: 4

(5) Changes in the scope of consolidation

The number of consolidated companies added: 2

The number of consolidated companies removed: 0

The number of equity method affiliates added: 0

The number of equity method affiliates removed: 0

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
Fiscal year	1,205,600	84,800	49,800

(Reference) Consolidated net income per share for the fiscal year is forecast to be ¥24,819.65

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements.

Please see p.6 of the attached document for more information regarding the aforementioned forecasts.

(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 aim of providing services primarily to the JR-West Group's railway passengers and leveraging the commercial potential of 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 to realize optimal use of their corporate resources and enhanced competitive strength in their markets. At the same time, they have steadily worked to reinforce their operating structures through focused and effective capital investments and reconfiguring 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 and enhance competitive strength in a strategic and timely manner by 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)

The forecasts of fiscal 2006 in the medium-term management strategy as described in the above was originally released by the JR West Group as of November 13, 2001. In light of the economic and other developments, such as the decline in transportation revenues, the consolidation of Nippon Travel Agency Co., Ltd., effects of ongoing initiatives for fiscal 2004 (i.e. the Shinkansen timetable revisions, the introduction of ICOCA IC card and the urban network timetable revisions), the progress of the NexStation Plan and the plan of the Osaka Station North Building development project, since the original released of the forecasts, the JR West Group may review, revise and update the medium-term management strategy later.

4. Management Issues

The operating environment surrounding the JR-West Group is expected to remain challenging, owing to such factors as the lingering uncertain outlook for the Japanese economy, a decline in the size of Japan's labor force due to a declining birth rate and an aging population, and intensifying competition from rival transportation operations.

Against this background, the JR-West Group aims to maintain or raise its 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, and is making utmost efforts to meet the needs of its customers and shareholders for years to come. JR-West will also take all possible measures to facilitate the sale of all of its shares held by the Japan Railway Construction Public Corporation.

JR-West will drive forward with ongoing initiatives in both employee training and railway infrastructure designed to ensure the safety and stability crucial to its core railway operations and will take all measures to prevent accidents on its railways. JR-West will also work to maximize the effect of the October 2003 Shinkansen timetable revisions by offering expanded *Nozomi* train services on the Tokaido and Sanyo Lines and increasing the number of stops on these routes, reducing the additional *Nozomi* train fare and establishing non-reserved seating on *Nozomi* trains. At the same time, JR-West will develop its DISCOVER WEST Campaign to expand demand for travel from Tokyo to western Japan. Regarding Urban Network Services, in November 2003, JR-West will launch a new ICOCA IC card compatible ticket gate system, and in December 2003, JR-West will add rolling stock mainly to the JR Kobe and Takarazuka Lines as well as increasing the number of train departures during morning and evening rush hours as part of efforts to enhance Special Rapid and Rapid services.

Meanwhile, in its Sales of Goods and Foods Services, JR-West is discussing the development and remodeling of the Osaka Station North Building, developing the Osaka Station East Exit and Takatsuki Station North Exit areas in line with its NexStation Plan, which is aimed at bolstering stations' competitiveness and taking other initiatives designed to achieve optimal use of the JR-West Group's management assets to further improve its operating base as it strives to expand sales and profits of the JR-West Group.

JR-West will also leverage its Shanghai office, which was established in September 2003, to generate tourism demands in China for western Japan as part of efforts to pursue the development of new areas of business that match market changes as well as evolving user needs.

1. Corporate Governance Policy

JR-West endeavors to maximize shareholder value through competitive and efficient operations. JR-West recognizes that solid corporate governance is vital, and its efforts in this area include restructuring 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, there by facilitating active debate. It also introduced a corporate executive officer system and shifted the responsibility of executing operations from the directors to executive officers, enabling 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 who possess outstanding management prowess and considerable insight to serve as directors, and it has received valuable administrative advice from such individuals. At present, two of JR-West's nine directors and three of its four auditors are from the outside. Proactively bringing on board directors with standpoints independent of the Company promotes the transparency of its operations.

(3) Performance Highlights

Despite signs of improvement in several sectors of the Japanese economy, operating conditions continued to intensify, owing primarily to bleak employment conditions coupled with slack consumer spending.

In this setting, the JR-West Group is placing emphasis on the current fiscal year as it marks the midway point of its five-year medium-term management targets. In its efforts to achieve these targets, the Group has developed various policies designed to strengthen its operational structure, to raise profits, particularly in its core railway business, and to make more efficient use of its assets.

During fiscal 2004 two subsidiaries, JR West Japan Transportation Service Co., Ltd. and Hakushin Sharyo Industries Co., Ltd., were added as consolidated subsidiaries and the statements of income of Nippon Travel Agency Co., Ltd., were added to the scope of consolidated accounting.

As a result, the JR-West Group achieved the following consolidated results for the first half of fiscal 2004: operating revenues of ¥592.2 billion, up 2.2% from the same period of the previous fiscal year; operating income of ¥62.8 billion, down 5.5% from the previous year; recurring profit of ¥41.5 billion, down 1.1% from the previous year; and net income after taxes of ¥26.8 billion, up 15.4% from the previous year.

1. Results by Business Segment (Consolidated Basis)

(1) Transportation Operations

JR-West makes concerted, ongoing efforts in both employee education and railway infrastructure to ensure the safety and stability of its transportation services, which we recognize as a top priority. Specific measures include the introduction of a "Safety Promotion Day", the 15th of each month, to promote a high level of safety awareness throughout the JR-West Group, practical education and training that leverages our training centers to enhance the capabilities of each and every employee, and railway infrastructure improvements, including the upgrading of train radios.

In its railway operations, JR-West added 700 series rolling stock to its Sanyo Shinkansen services, introduced new multiple Shinkansen ticket booklets that can be used for travel on *Nozomi*, *Hikari*, or *Kodama* trains, and steadily implemented other measures designed to maximize the October 2003 timetable revisions, which were primarily focused on increasing the number of *Nozomi* departures. At the same time, JR-West worked to enhance the convenience and bolster the competitiveness of its services through such initiatives as continuing to switch from a five-to-a-row to a four-to-a-row seating pattern on *Kodama* trains. On its conventional lines, JR-West worked to enhance its Urban Network services by introducing a new limited express service—*Biwako Express*—during commuting hours and endeavored to improve the convenience of its intercity services by replacing limited express *Shirasagi* trains with new models. Furthermore, JR-West engaged in proactive marketing activities, offering walking events and hiking maps related to an extremely popular NHK TV drama series as well as continuing to develop the Kanmon Kaikyo Monogatari Campaign.

JR-West's efforts in customer service include upgrading its system for responding to inquiries by integrating its call centers in Kyoto, Osaka, and Kobe with the establishment of the JR-West Information Center.

Regarding global environmental issues, JR-West worked to reduce its impact on the environment through such ongoing initiatives as the introduction of energy-saving trains and the recycling of used materials.

In bus operations, JR-West streamlined its regular and chartered bus services; on the other hand it expanded such highway bus services as the *Keihin Kibi Dream* and the *Tokaido Afternoon Limited Express Kyoto* and launched a service enabling bus tickets to be purchased via the Internet as part of efforts to improve convenience.

Nevertheless, operating revenues for Transportation Operations declined 2.0%, to ¥416.8 billion, due to decreased railway operation revenues, and operating income dipped 0.9%, to ¥51.0 billion.

(2) Sales of Goods and Food Services

JR-West worked to bolster its retail operations within stations by introducing “Daily · In” mini-convenience stores at four stations, including Osaka Station; opening a rice ball specialty shop, “Omu.com,” at Shin-Osaka Station, and opening a side dish take-out shop, “Kitashinchi Genmaiya Kitchen,” at Itami Station. Moreover, JR-West completed the floor expansion and remodeling of the JR Kyoto Isetan department store, which has enjoyed ongoing popularity since its opening, and is working to enhance the products and services offered by the women’s fashion department.

As a result, operating revenue increased 0.4%, to ¥112.0 billion, and operating income jumped 7.7%, to ¥2.8 billion, compared with the same period of the previous fiscal year.

(3) Real Estate

JR-West worked to develop its operations in and around stations and to utilize its assets even more effectively. To this end, JR-West has been making steady progress in its sale of units at its States Gran Koshienguchi Matsunamicho and Park Gran Nishi Okamoto condominium projects; expanded floor space at “Medio Shin-Osaka,” a shopping center at Shin-Osaka Station, and “The Cube,” a shopping center at Kyoto Station; and opened four new restaurants along “Hakata Ikiiki Road” in the western part of the area below the elevated railway tracks at Hakata Station.

JR-West’s real estate business saw operating revenue rise 0.8% from the same period of the previous fiscal year, to ¥34.3 billion, and operating income increase 7.2%, to ¥8.4 billion.

(4) Other Businesses

In JR-West’s hotel operations, our efforts to heighten our ability to attract customers included the reopening of the newly remodeled first floor lobby of the Hotel Granvia Osaka. In advertising agency services, JR-West developed advertisements for the walls of the Osaka Station North Building and worked to develop new advertising media. In its travel operations, JR-West established a comprehensive travel site, “Tabi Plaza,” designed to offer not only lodging but complete travel arrangements; worked to develop sales strategies that meet customers’ needs; and reorganized its network of travel agencies.

Operating revenues in Other Businesses rose 33.9%, to ¥109.5 billion, owing primarily to an increase in newly consolidated subsidiaries. However, operating income declined 94.3%, to ¥0.2 billion, due to seasonal fluctuations in demand in the travel industry and other factors.

2. Forecasts for the Full Fiscal Year ending March 31, 2004

The JR-West Group predicts that its operating environment will remain harsh. Thus, the JR-West Group will implement a variety of measures that leverage management resources to secure stable earnings and profits and, in turn, maximize corporate value.

Consolidated results forecasts for the fiscal year ending March 31, 2004 are as follows:

Operating revenues	¥	1,205.6 billion
Operating income	¥	123.7 billion
Recurring profit	¥	84.8 billion
Net income	¥	49.8 billion

3. Financial Position

(1) Cash flows from operating activities

Although income before income tax adjustments rose, cash flows from operating activities declined ¥7.4 billion from the same period of the previous fiscal year, to ¥36.0 billion, owing primarily to increased cash outflows for payables.

(2) Cash flows from investing activities

Due to measures to ensure safe and stable transportation, improvements in transportation capabilities, and capital investment in the creation of new rolling stock, cash flows used in investing activities amounted to ¥49.2 billion, up ¥19.0 billion.

(3) Cash flows from financing activities

A ¥17.9 billion reduction in long-term debt and the payment of dividends resulted in a ¥18.7 billion outflow, down ¥14.5 billion from the same period of the previous fiscal year.

As a result, cash and cash equivalents at the end of the fiscal period under review totaled ¥58.1 billion, reflecting a ¥31.1 billion decrease.

Cash Flow Indicators

	FY2000	FY2001	FY2002	FY2003	September 30, 2003
Equity Ratio (%)	13.6	16.1	17.0	18.1	19.3
Market-based rate of equity ratio (%)	28.6	41.6	41.3	30.8	35.7
Number of years of extinguishment of debt	13.7	12.3	10.5	9.7	-
Interest coverage ratio	1.6	1.8	2.2	2.5	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 fiscal year end by the total amount of outstanding stock at the fiscal year end (excluding treasury stock).
3. Interest-bearing debt refers to long-term interest-bearing debt.
4. The number of years of redemption of debt was not recorded for the interim period.

CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	September 30, 2003	March 31, 2003	Change from the previous year	September 30, 2002
ASSETS				
Current assets:				
Cash	58,912	90,016	-31,104	74,071
Trade notes receivable	9,312	11,814	-2,502	9,687
Railway fares receivable	15,498	10,952	4,545	12,776
Accounts receivable	29,289	35,025	-5,735	10,950
Income tax receivable	0	546	-545	2
Marketable securities	12	2	10	2
Inventory	23,981	13,988	9,992	20,111
Deferred tax assets	23,654	20,153	3,500	16,903
Other current assets	30,952	32,096	-1,144	31,964
Less allowance for doubtful accounts	-207	-520	312	-180
Total current assets	191,406	214,075	-22,669	176,289
Fixed assets:				
Property, plant and equipment:	2,052,470	2,064,287	-11,816	2,061,385
Buildings	1,017,162	1,039,369	-22,207	1,054,784
Machinery, equipment and transport equipment	247,011	219,272	27,738	225,129
Land	680,913	681,118	-205	680,553
Construction in progress	67,259	86,083	-18,824	65,196
Other property, plant and equipment	40,124	38,443	1,681	35,721
Intangible fixed assets	14,041	11,629	2,411	9,207
Consolidation goodwill	385	437	-52	378
Other	13,655	11,192	2,463	8,829
Investments and other assets:	146,669	142,681	3,987	134,983
Investment securities	55,153	55,858	-704	58,615
Deferred tax assets	67,374	61,394	5,980	56,512
Other investments and assets	25,518	26,785	-1,267	20,811
Less allowance for doubtful accounts	-1,377	-1,356	-21	-955
Total fixed assets	2,213,181	2,218,599	-5,418	2,205,576
Deferred assets	24	39	-14	56
Total assets	2,404,612	2,432,713	-28,101	2,381,922

CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	September 30, 2003	March 31, 2003	Change from the previous year	September 30, 2002
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Trade notes payable	31,847	40,655	-8,807	31,075
Short-term loans	8,114	4,138	3,976	4,804
Current portion of long-term debt	68,168	55,927	12,240	76,852
Current portion of long-term payables to acquisition of railway properties	35,627	35,488	139	34,877
Accounts payable	49,209	90,040	-40,831	51,391
Accrued consumption tax	8,446	4,608	3,837	6,908
Accrued income tax	27,852	24,254	3,598	23,229
Railway deposits received	8,770	4,323	4,446	5,068
Deposits received	59,159	75,426	-16,266	20,292
Prepaid railway fares received	33,699	28,576	5,123	33,504
Advances received	100,653	88,189	12,463	108,323
Less allowance for bonuses	38,259	38,283	-24	39,241
Provision for loss on guarantees	100	100	-	-
Reserve for compensation of completion of construction	39	40	-1	39
Reserve for repairs on concrete structures	504	3,616	-3,111	-
Other current liabilities	30,315	24,287	6,028	26,186
Total current liabilities	500,769	517,956	-17,186	461,794
Long-term liabilities:				
Bonds	215,000	215,000	-	215,000
Long-term debt	299,383	318,524	-19,141	309,774
Long-term payables of acquisition of railway properties	564,585	575,774	-11,188	600,224
Long-term payables for leased railway facilities	49,807	46,817	2,990	43,826
Deferred tax liabilities	1,378	1,360	18	1,390
Retirement allowances for employees	176,217	181,763	-5,545	183,731
Reserve for repairs on concrete structures	-	-	-	5,242
Other long-term liabilities	112,055	113,629	-1,573	113,117
Total long-term liabilities	1,418,429	1,452,869	-34,440	1,472,308
Total liabilities	1,919,198	1,970,826	-51,627	1,934,103
Minority interest	22,095	21,330	764	19,198
Shareholders' equity				
Capital stock	100,000	100,000	-	100,000
Capital surplus	55,000	55,000	-	55,000
Consolidated retained earnings	304,342	281,695	22,647	268,647
Evaluation differences on other securities	4,302	4,188	113	4,973
Treasury stock	-327	-327	-	-
Total shareholders' equity	463,317	440,556	22,761	428,620
Total liabilities, minority interest, and shareholders' equity	2,404,612	2,432,713	-28,101	2,381,922

CONSOLIDATED STATEMENTS OF INCOME

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	Six months ended September 30, 2003	Six months ended September 30, 2002	Change from the previous interim period	Year ended March 31, 2003
Operating revenues	592,204	579,642	12,561	1,165,571
Operating expenses:				
Transportation and other services and cost of sales	423,848	436,769	-12,920	889,386
Selling, general and administrative expenses	105,525	76,406	29,119	153,548
	529,374	513,175	16,198	1,042,935
Operating income	62,829	66,466	-3,637	122,636
Nonoperating revenues:				
Interest and Dividend	320	230	89	298
Equity in earnings of affiliates	620	-	620	468
Other	1,185	1,007	178	5,600
	2,126	1,238	888	6,368
Nonoperating expenses:				
Interest	23,156	24,863	-1,707	49,151
Equity in losses of affiliates	-	568	-568	-
Other	290	296	-6	1,113
	23,446	25,728	-2,282	50,264
Recurring profit	41,509	41,976	-466	78,739
Extraordinary profits:				
Proceeds from construction contract	16,619	2,927	13,691	29,944
Compensation for expropriation	-	-	--	6,202
Gain on investment securities	6,549	8	6,541	1,852
Other	3,256	1,775	1,481	6,535
	26,425	4,711	21,714	44,534
Extraordinary losses:				
Loss on reduction entry of proceeds from construction	16,523	2,850	13,673	29,593
Loss on reduction entry of compensation for expropriation	-	-	-	6,189
Other	6,448	2,025	4,422	9,869
	22,971	4,875	18,095	45,652
Income before income taxes	44,963	41,811	3,151	77,622
Corporation, inhabitants and enterprise taxes	27,232	22,590	4,641	44,453
Income taxes - deferred	-9,425	-4,971	-4,454	-9,934
Minority interests in earnings of consolidated subsidiaries	289	910	-620	1,458
Net income	26,867	23,282	3,584	41,644

APPROPRIATION OF CONSOLIDATED RETAINED EARNINGS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	September 30, 2003	March 31, 2003	Change from the previous year	September 30, 2002
Capital surplus at beginning of the period	55,000	55,000	-	55,000
Capital surplus at end of the period	55,000	55,000	-	55,000
Retained earnings at beginning of the period	281,695	250,513	31,181	250,513
Increase in retained earnings	27,830	41,644	-13,813	23,282
Net income	26,867	41,644	-14,776	23,282
Increase in retained earnings due to addition of consolidated subsidiaries	926	-	926	-
Increase in retained earnings due to a merger between a consolidated subsidiary and an affiliate	36	-	36	-
Appropriation of retained earnings	5,183	10,462	-5,279	5,148
Cash dividends	5,000	10,000	-5,000	5,000
Directors' bonuses [Including corporate auditors' bonuses]	183 (23)	151 (23)	31 (0)	148 (22)
Decrease in retained earnings due to a newly consolidated 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 end of the period	304,342	281,695	22,647	268,647

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	September 30, 2003	September 30, 2002	Change from the previous year	March 31, 2003
I. Cash flows from operating activities				
Income before income taxes adjustments	44,963	41,811	3,151	77,622
Depreciation and amortization	55,553	54,879	674	113,040
Loss on reduction entry of fixed assets	16,523	2,850	13,673	29,593
Loss from disposal of fixed assets	2,359	2,253	106	8,603
Loss on write-down of investment securities	27	38	-10	3,509
Amortization of consolidation adjustment	52	38	13	50
Increase (decrease) in allowance for doubtful accounts	-299	-191	-107	138
(Increase) decrease in allowance for retirement benefits	-5,634	-7,079	1,445	-14,836
Decrease in allowance for bonuses	-191	-1,136	945	-2,094
Increase (decrease) in other reserves	-4,013	-4,408	394	-5,864
Interest and dividends receivable	-320	-230	-89	-298
Interest expenses	23,156	24,863	-1,707	49,151
Investment income from accounted for by the equity method	-620	568	-1,189	-468
Contributions for the construction of railway facilities receivable	-16,619	-2,927	-13,691	-29,944
Decrease in accounts receivable	7,148	13,548	-6,399	5,893
(Decrease) increase in inventories	-9,835	-8,081	-1,754	-1,761
Increase (decrease) in accounts payable	-29,930	-11,622	-18,307	3,892
Decrease in accrued consumption tax	3,791	-987	4,778	-3,287
Other	-4,010	-6,570	2,559	-2,677
Sub-total	82,100	97,613	-15,513	230,263
Interest and dividends received	314	222	92	349
Interest paid	-23,231	-24,922	1,691	-49,481
Income taxes paid	-23,163	-29,443	6,279	-50,909
Net cash provided by operating activities	36,020	43,469	-7,449	130,222
II. Cash flows from investing activities				
Cash placed in time deposits (maturities of more than 3 months)	-451	-3	-448	-0
Cash withdrawn from time deposits (maturities of more than 3 months)	366	358	8	379
Purchases of property, plant and equipment	-75,565	-50,746	-24,818	-137,715
Proceeds from sales of property, plant and equipment	1,592	591	1,000	5,750
Receipts of contributions for the construction of railway facilities	17,398	20,550	-3,152	42,515
Purchases of investment securities	-616	-811	195	-2,302
Proceeds from sales of investment securities	8,341	23	8,318	3,847
Increases due to changes in the scope of consolidation	-	-	-	25,036
Decrease in loans	-291	-144	-146	-250
Collections of loans and advances	203	317	-113	519
Other	-245	-334	88	-1,171
Net cash used in investing activities	-49,268	-30,199	-19,068	-63,392
III. Cash flows from financing activities				
Change in short-term borrowings, net	1,077	-3,890	4,967	-4,156
Increase in long-term debt	36,300	-	36,300	24,700
Repayment of long-term debt	-43,200	-10,445	-32,754	-43,374
Long-term payables of acquisition of railway properties	-11,049	-10,785	-263	-38,571
Cash dividends	-5,004	-5,004	0	-10,015
Payment of cash dividends to minority interests	-112	-125	12	-125
Other	3,249	-3,000	6,249	-
Net cash used in financing activities	-18,739	-33,251	14,511	-71,543
IV. Change in cash and cash equivalents, net	-31,987	-19,981	-12,006	-4,713
V. Cash and cash equivalents at beginning of the period	89,310	94,023	-4,713	94,023
VI. Change in cash and cash equivalents accompanying consolidation of additional subsidiaries	798	-	798	-
VII. Cash and cash equivalents at end of the period	58,121	74,042	-15,921	89,310

SEGMENT INFORMATION

1. Information by business segment

Six months ended September 30, 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	417,579	95,255	28,556	38,252	579,642	-	579,642
Intergroup operating revenues and transfers	7,705	16,291	5,459	43,566	73,024	(73,024)	-
Total sales	425,284	111,547	34,016	81,819	652,667	(73,024)	579,642
Operating expenses	373,757	108,918	26,090	77,625	586,393	(73,217)	513,175
Operating income	51,526	2,628	7,925	4,193	66,273	193	66,466

Six months ended September 30, 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	408,487	95,826	28,478	59,411	592,204	-	592,204
Intergroup operating revenues and transfers	8,405	16,212	5,824	50,123	80,566	(80,566)	-
Total sales	416,892	112,039	34,303	109,534	672,770	(80,566)	592,204
Operating expenses	365,828	109,209	25,807	109,295	610,140	(80,766)	529,374
Operating income	51,064	2,829	8,495	239	62,629	199	62,829

Fiscal 2003 (April 1, 2002 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

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: brokerage and leasing of real estate, operation of shopping center

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

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.

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 Approval of the Non-Consolidated Financial Statements:
November 7, 2003

Interim dividends: Yes

Date of payment of interim dividends: December 10, 2003

Unit stock system: No

1. Results for six months ended September 30, 2003

(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	
Six months ended September 30, 2003	417,703	(-2.0)	56,436	(0.3)	35,475	(5.5)
Six months ended September 30, 2002	426,086	(-2.7)	56,241	(1.2)	33,632	(11.9)
Year ended March 31, 2003	849,090		103,293		61,391	

	Net income (% change from the previous interim period)		Net income per share	
	Millions of yen		Yen	
Six months ended September 30, 2003	24,486	(23.4)	12,243.18	
Six months ended September 30, 2002	19,835	(3.0)	9,917.81	
Year ended March 31, 2003	33,490		16,695.59	

Notes: 1. Average number of shares outstanding during period:

Six months ended September 30, 2003: 2,000,000 shares

Six months ended September 30, 2002: 2,000,000 shares

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

2. There were no changes in accounting policies.

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	
Six months ended September 30, 2003	2,500.00		-	
Six months ended September 30, 2002	2,500.00		-	
Year ended March 31, 2003	-		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
Six months ended September 30, 2003	2,120,493	430,152	20.3	215,076.04
Six months ended September 30, 2002	2,125,081	402,967	19.0	201,483.84
Year ended March 31, 2003	2,116,874	410,745	19.4	205,323.44

Note: Number of shares outstanding at period end:

Six months ended September 30, 2003: 2,000,000 shares

Six months ended September 30, 2002: 2,000,000 shares

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

There was no outstanding treasury stock at September 30, 2003 and 2002, and March 31, 2003

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	
				Year end dividends	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
Fiscal year	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			
	September 30, 2003	March 31, 2003	Change from the previous year	September 30, 2002
ASSETS				
Current assets:				
Cash	33,384	38,440	-5,055	44,144
Railway fares receivable	17,302	12,271	5,030	12,349
Accounts receivable	8,061	9,921	-1,859	7,223
Accrued income	2,803	4,945	-2,142	2,909
Short-term loans	8,973	8,405	568	10,650
Real estate for sale	64	85	-20	108
Materials and supplies	7,563	2,979	4,583	5,961
Prepaid expenses	4,101	1,894	2,207	4,093
Deferred tax assets	17,350	15,537	1,813	13,623
Other current assets	7,580	7,747	-166	9,748
Less allowance for doubtful accounts	-111	-96	-15	-117
Total current assets	107,074	102,131	4,943	110,695
Fixed assets:				
Railway	1,579,193	1,566,303	12,889	1,585,504
Ferry	177	189	-11	201
Other operations	60,850	60,831	18	62,708
Related business	85,781	88,360	-2,579	90,175
Construction in progress	66,940	85,149	-18,209	64,806
Investments and advances:	220,475	213,909	6,566	210,989
Investment securities	14,401	16,233	-1,832	23,363
Stocks of subsidiaries	127,006	126,391	614	120,176
Long-term loans	11,581	9,574	2,007	8,494
Long-term prepaid expense	2,737	3,011	-273	2,655
Deferred tax assets	57,841	51,814	6,027	49,368
Other investments and advances	7,759	7,870	-110	7,628
Less allowance for doubtful accounts	-852	-987	134	-696
Total fixed assets	2,013,418	2,014,743	-1,324	2,014,385
Total assets	2,120,493	2,116,874	3,618	2,125,081

NON-CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	September 30, 2003	March 31, 2003	Change from the previous year	September 30, 2002
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Short-term borrowings	81,659	66,427	15,232	57,092
Current portion of long-term debt	57,126	44,976	12,150	67,568
Current portion of long-term payables to the acquisition of railway properties	35,627	35,488	139	34,877
Current portion of long-term payables	1,168	1,168	-	1,168
Accounts payable	56,812	99,547	-42,735	60,764
Accrued expenses	19,016	14,641	4,374	13,310
Accrued consumption tax	6,675	2,873	3,802	5,470
Accrued income tax	24,072	20,410	3,662	19,633
Railway deposits received	9,602	5,056	4,545	5,775
Deposits	12,235	12,800	-564	12,216
Prepaid railway fares received	33,631	28,510	5,120	33,403
Deposits received	97,693	85,853	11,840	105,653
Advance payments received	1,252	433	819	1,417
Allowance for bonuses	31,242	31,768	-526	32,524
Reserve for repairs on concrete structures	504	3,616	-3,111	-
Other current liabilities	373	609	-235	58
Total current liabilities	468,695	454,180	14,514	450,933
Long-term liabilities:				
Bonds	215,000	215,000	-	215,000
Long-term debt	199,509	214,947	-15,438	198,785
Long-term payables of acquisition of railway properties	564,585	575,774	-11,188	600,224
Long-term payables	28,259	28,843	-584	29,427
Long-term payables for leased railway facility	49,807	46,817	2,990	43,826
Retirement allowances for employees	159,639	165,583	-5,943	173,681
Reserve for repairs on concrete structures	-	-	-	5,242
Other long-term liabilities	4,845	4,983	-137	4,991
Total long-term liabilities	1,221,646	1,251,948	-30,302	1,271,179
Total liabilities	1,690,341	1,706,128	-15,787	1,722,113
Shareholders' equity:				
Capital stock	100,000	100,000	-	100,000
Capital surplus	55,000	55,000	-	55,000
Capital reserve	55,000	55,000	-	55,000
Retained earnings:	272,900	253,513	19,387	244,858
Earned legal surplus	11,327	11,327	-	11,327
Voluntary reserves	193,426	172,820	20,605	172,820
Reserved for advanced depreciation on property	3,426	2,820	605	2,820
Other reserves	190,000	170,000	20,000	170,000
Unappropriated retained earnings	68,146	69,364	-1,218	60,710
Evaluation differences on other securities	2,251	2,232	18	3,109
Total shareholders' equity	430,152	410,745	19,406	402,967
Total liabilities and shareholders' equity	2,120,493	2,116,874	3,618	2,125,081

NON-CONSOLIDATED STATEMENTS OF INCOME

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	September 30, 2003	September 30, 2002	Change from the previous year	March 31, 2003
Operating revenues:				
Transportation	372,643	379,731	-7,088	752,390
Transportation incidentals	11,324	11,752	-428	23,808
Other operations	9,271	9,271	0	18,451
Miscellaneous	54,439	25,330	-867	24,462
	417,703	426,086	-8,383	849,090
Operating expenses:				745,796
Personnel costs	147,343	151,760	-4,417	301,671
Non personnel costs	131,502	135,054	-3,552	288,250
Energy costs	18,459	20,253	-1,794	38,480
Maintenance costs	52,144	55,613	-3,469	122,605
Miscellaneous costs	60,897	59,187	1,710	127,165
Rental payments for JRCPC. etc	15,671	15,765	-94	31,096
Taxes	20,572	20,853	-281	29,308
Depreciation	46,178	46,411	-233	95,468
	361,267	369,845	-8,578	745,797
Operating income	56,436	56,241	195	103,293
Non operating revenues	1,044	1,089	-44	5,331
Non operating expenses	22,004	23,697	-1,692	47,233
Recurring profit	35,475	33,632	1,843	61,391
Extraordinary profit	25,976	3,506	22,469	42,699
Extraordinary loss	21,382	3,166	18,216	41,165
Income before income taxes	40,069	33,972	6,096	62,926
Income taxes-current	23,436	19,097	4,338	38,023
Income taxes-deferred	-7,853	-4,961	-2,892	-8,587
Net income	24,486	19,835	4,650	33,490
Retained earnings carried forward from the previous period	43,660	40,874	2,785	40,874
Interim dividends	-	-	-	5,000
Unappropriated retained earnings	68,146	60,710	7,436	69,364

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	1,205.6	1,165.5	40.0
Operating income	123.7	122.6	1.0
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 business	Other
	Billions of yen	Billions of yen	Billions of yen	Billions of yen
Operating revenues	835.8	227.8	69.6	249.3
Operating income	93.4	4.8	17.3	8.7

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 (Transportation)	837.4 (742.0)	849.0 (752.3)	-11.6 -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

(Number of persons, Billions of yen, %)

	September 30, 2003		September 30, 2002		Forecast for fiscal 2004	
	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)	45,207 -	28,331 (33,673)	42,856 -	29,283 (35,415)	- -	- -
Retirement payment costs	30.0	27.4	30.1	28.6	-	54.8
Number of employees entitled to retirement payment	1,787	1,187	1,781	1,258	-	244.6
Maintenance costs	-	52.1	-	55.6	-	121.2
Depreciation	55.5	46.1	54.8	46.4	114.1	94.4
Financial expenses, net	-22.8	-21.5	-24.6	-23.0	-45.3	-42.7
Interest and dividend income	0.3	0.4	0.2	0.4	0.2	0.4
Interest expenses	-23.1	-21.9	-24.8	-23.5	-45.6	-43.2
Capital expenditures	63.7	54.8	39.1	31.3	130.7	109.0
Own funds	56.8	48.0	31.9	24.1	130.7	109.0
Long-term debt and payables	1,182.7	1,101.2	1,236.7	1,147.0	1,170.0	1,095.0

Notes: 1. Figures less than ¥100 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 Medium-Term Management

			September 30, 2003	Forecast for fiscal 2004	Medium-Term Management Targets (Fiscal 2006)
Operating income ROA	(consolidated)	%	2.6	5.1	5.4
Operating income	(consolidated)	Billions of yen	628	123.7	130.0
Net income	(consolidated)	Billions of yen	268	49.8	50.0
Long-term debt	(consolidated)	Billions of yen	11,827	1,170.0	1,100.0
Long-term debt	(non-consolidated)	Billions of yen	11,012	1,095.0	1,000.0
Head count at the start of the fiscal year	(non-consolidated)	People	34,569		32,000