

West Japan Railway Company

Flash Report (Consolidated Basis)

Results for the nine months ended December 31, 2004

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 February 1, 2005. JR-West does not undertake to revise forward-looking statements to reflect future events or circumstances.

The contents of this document were, to the best of our knowledge, current and accurate as of February 1, 2005. However, the passage of time may have rendered the information in this document stale. We will not review this document after its posting on February 1, 2005 to determine whether it remains accurate, and information in this document may have been superseded by subsequent announcements.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

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

Telephone: +81-6-6375-8889

1. Items related to the preparation of this summary of quarterly results

(1) *Adoption of simplified accounting methods: No*

(2) *Changes in accounting methods from the previous consolidated fiscal year: Yes*
Early adoption of "Accounting Standards Related to the Impairment of Fixed Assets."

(3) *Changes in consolidated financial conditions*

Number of consolidated subsidiaries added: 1

Number of consolidated subsidiaries removed: 1

2. Results for the nine months ended December 31, 2004 (from April 1, 2004 to December 31, 2004)

(1) Operating results

(Figures less than ¥1 million have been omitted)

	Operating revenues		Operating income		Recurring profit	
	(% change from the same period of the previous year)		(% change from the same period of the previous year)		(% change from the same period of the previous year)	
	Millions of yen		Millions of yen		Millions of yen	
Nine months ended December 31, 2004	910,526	(0.6)	111,494	(4.0)	81,265	(8.3)
Nine months ended December 31, 2003	904,948	(-)	107,242	(-)	75,003	(-)
(Reference) Year ended March 31, 2004	1,215,735		126,930		85,863	

	Net income		Net income per share	Net income per share after dilution
	(% change from the same period of the previous year)			
	Millions of yen		Yen	Yen
Nine months ended December 31, 2004	57,143	(24.1)	28,584.43	-
Nine months ended December 31, 2003	46,035	(-)	23,028.06	-
(Reference) Year ended March 31, 2004	47,016		23,423.19	-

(2) Financial Position

	Total assets	Total shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2004	2,360,315	522,670	22.1	261,450.74
As of December 31, 2003	2,421,419	477,840	19.7	239,025.82
(Reference) As of March 31, 2004	2,410,358	479,762	19.9	239,876.24

(3) Cash flows

	Operating activities	Investing activities	Financing activities	Cash at the end of the third quarter
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Nine months ended December 31, 2004	85,628	-27,113	-37,169	92,015
Nine months ended December 31, 2003	72,057	-67,255	-11,655	83,255
(Reference) As of March 31, 2004	140,229	-91,691	-67,991	70,655

3. Forecasts for fiscal 2005 (from April 1, 2004 to March 31, 2005)

	Operating revenues	Recurring profit	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Fiscal year	1,219,300	93,500	57,200	28,517.15

(Reference)**Forecasts for fiscal 2005 on a non-consolidated basis (from April 1, 2004 to March 31, 2005)**

	Operating revenues	Recurring profit	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Fiscal year	846,000	74,000	48,000	23,949.50

* See cautionary statement regarding Forward-Looking Statements on the front page of this report with respect to some risks and uncertainties that may cause actual results of differ from these forecasts.

Performance Highlights

Consolidated Results for the Nine Months Ended December 31, 2004 (April 1, 2004 - December 31, 2004)

Operating revenues: ¥910.5 billion

Operating income: ¥111.4 billion

Recurring profit: ¥81.2 billion

Net income: ¥57.1 billion

1. Results by Business Segment (Consolidated Basis)

1) *Transportation Operations*

JR-West worked with both “hard” and “soft” tools to ensure the safety and reliability of its operations, which it regards as essential for a healthy railway. JR-West endeavored to raise employee awareness of safety by establishing regular “Safety Promotion Days” and to enhance the professional abilities of each employee by offering practical job-related training and instruction through its training centers. We also made improvements to railway crossings and emergency-stop buttons installed on railway platforms.

JR-West actively promoted its Sanyo Shinkansen services, striving to expand its share in areas where it competes with airlines by running television commercials targeting the use of Sanyo Shinkansen services for family vacations and business trips, expanding the scope of *Nozomi* early reservation discount tickets, and introducing attractively priced travel packages. In addition, JR-West continued to develop the “Discover West” campaign, which focuses on promoting travel mainly from the Tokyo metropolitan area to western Japan and was launched in fiscal 2004, holding its first presentation in Tokyo on tourist attractions in western Japan.

In its Urban Network services, JR-West worked to promote the ICOCA IC card system, which was introduced in November 2003, focusing on increasing the number of cardholders. On August 1, 2004, we enabled ICOCA and East Japan Railway Company’s (JR-East’s) Suica cards to be used interchangeably and introduced ICOCA cards designed for children. In addition, JR-West implemented timetable revisions in October 2004 to make its Urban Network services more convenient and attractive by increasing departures of and adding new stops to limited express commuter trains and increasing departures on the JR Kyoto Line during rush hours.

JR-West took various initiatives to boost ridership on its intercity and regional lines. Working with JR-East, we strategically developed the “Japanese Beauty Hokuriku” campaign in line with the implementation of spring timetable revisions focused on reducing travel times between the Tokyo metropolitan area and the Hokuriku region. JR-West also ran television commercials in the Tokyo metropolitan area showcasing its intercity and regional services.

Unfortunately, services on the Sanyo Shinkansen and many other routes had to be temporarily suspended due to natural disasters, including a series of typhoons. Torrential rains in July 2004 caused substantial damage, washing away bridge supports on the Etsumi Hoku Line, and despite our concerted efforts to restore operations promptly, services between Ichijodani and Miyama remain suspended.

As part of efforts to improve customer service, we established the JR-West Customer Center, which responds to a wide range of inquiries, and worked to create more customer-friendly railway environments by expanding barrier-free facilities, making improvements to platform waiting areas, and beautifying station restrooms.

In its bus operations, JR-West worked to enhance customer convenience by establishing new highway bus routes, including daytime express service between Yokohama and Osaka and between Hiroshima and Kyoto as well as express service between Osaka and Naruto/Awaji, and introducing a telephone reservation service for customers using its highway bus routes between Kyoto/Osaka/Kobe and Tokyo.

As a result, operating revenues for Transportation Operations edged up 0.4%, to ¥635.7 billion, and operating income climbed 3.6%, to ¥88.3 billion, compared with the same period of the previous fiscal year.

2) Sales of Goods and Food Services

As part of efforts to boost the competitiveness of its stations under the “NexStation Plan,” which was formulated in fiscal 2003, JR-West worked to expand its business in stations by opening a shopping area called “CENTRAL COURT” in Osaka Station and “Daily?in” mini-convenience stores in 13 stations, including Sannomiya and Tennoji stations. In addition, JR-West endeavored to enhance revenues at JR Kyoto Isetan by increasing the number of days with extended store hours.

As a result, operating revenues for the Sales of Goods and Food Services segment increased 2.2%, to ¥174.8 billion; however, operating income dipped 4.1%, to ¥4.6 billion, compared with the same period of the previous fiscal year.

3) Real Estate

JR-West’s efforts to develop its operations in and around stations included the opening of Station Plaza Akashi South, a shopping center at Akashi Station; the expansion of floor space at and the remodeling of J-Mall Rokkomichi, a shopping center at Rokkomichi Station; and the opening of a mini-station building with a business hotel, retail merchandise outlets, and eateries on the west side of Hiroshima Station. JR-West also strove to effectively utilize its assets through the development of condominiums and residential land. In addition, JR-West commenced renovations of Osaka Station in May 2004 as part of activities to completely revamp the station and develop its new North Building.

As a result, operating revenues for the Real Estate segment edged up 1.2%, to ¥52.9 billion, and operating income rose 6.6%, to ¥14.4 billion, compared with the same period of the previous fiscal year.

4) Other Businesses

In its travel agency operations, JR-West carried out aggressive marketing initiatives that leveraged computer systems, including the introduction of an electronic customer relationship management (CRM) system to promote sales activities targeting specific customer segments as well as the establishment of a group travel marketing support system to foster the organizational development of group travel sales activities. In JR-West’s hotel business, lodging operations remained strong, and steps were taken to secure revenues in reception/food and beverage operations, including holding various events and strengthening membership card perks. In its advertising agency business, JR-West worked to develop such new advertising media as advertisements displayed on the exterior of trains on the JR Osaka Loop Line.

As a result, operating revenues for the Other Businesses segment edged up 0.7%, to ¥173.7 billion, and operating income jumped 12.1%, to ¥3.7 billion, compared with the same period of the previous fiscal year.

2. Forecasts for the Full Fiscal Year Ending March 31, 2005

JR-West expects the operating environment to remain challenging and will implement various measures to leverage its management resources to secure stable earnings and profits and, in turn, maximize corporate value.

Consolidated results forecasts for the fiscal year ending March 31, 2005, are as follows:

Operating revenues: ¥1,219.3 billion

Operating income: ¥131.3 billion

Recurring profit: ¥93.5 billion

Net income: ¥57.2 billion

3. Financial Position

(1) Cash flows from operating activities

Cash provided by operating activities amounted to ¥85.6 billion, up ¥13.5 billion from the same period of the previous fiscal year, owing mainly to a rise in income before income tax adjustments.

(2) Cash flows from investing activities

Cash used in investing activities totaled ¥27.1 billion, down ¥40.1 billion from the same period of the previous fiscal year. Although JR-West made capital investments in new rolling stock, other equipment to promote reliable transport, and improvements in transport capacity, much of this was financed through the sale of investment securities.

(3) Cash flows from financing activities

Cash used in financing activities increased ¥25.5 billion from the same period of the previous fiscal year, to ¥37.1 billion, due to a ¥23.8 billion reduction in long-term debt and the payment of cash dividends.

As a result of the aforementioned factors, cash and cash equivalents as of December 31, 2004 increased ¥21.3 billion, to ¥92.0 billion, compared with the end of the previous fiscal year.

CONSOLIDATED BALANCE SHEETS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	As of Dec.31, 2004	As of March 31, 2004	Change	As of Dec.31, 2003
ASSETS				
Current assets:				
Cash	92,675	71,317	21,357	84,047
Accounts receivable	36,494	35,747	747	34,525
Deferred tax assets	10,630	25,436	-14,805	12,304
Other current assets	85,784	69,865	15,919	85,697
Total current assets	225,584	202,366	23,218	216,574
Fixed assets:				
Property, plant and equipment	1,988,286	2,062,505	-74,219	2,054,453
Investments and other assets:	146,443	145,482	961	150,376
Investment securities	53,262	56,188	-2,926	55,627
Deferred tax assets	71,512	65,030	6,482	71,031
Other investments and assets	21,668	24,263	-2,594	23,716
Total fixed assets	2,134,729	2,207,988	-73,258	2,204,829
Deferred assets	1	4	-3	16
Total assets	2,360,315	2,410,358	-50,043	2,421,419

	Millions of yen			
	As of Dec.31, 2004	As of March 31, 2004	Change	As of Dec.31, 2003
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Current portion of long-term debt	56,522	96,997	-40,474	103,125
Accounts payable	48,623	84,926	-36,303	48,672
Other current liabilities	338,151	363,018	-24,867	332,387
Total current liabilities	443,297	544,942	-101,645	484,185
Long-term liabilities:				
Bonds and long-term debt	1,058,173	1,041,549	16,624	1,094,852
Retirement allowances for employees	204,295	208,934	-4,639	175,564
Other long-term liabilities	106,963	111,572	-4,608	166,262
Total long-term liabilities	1,369,432	1,362,056	7,376	1,436,678
Total liabilities	1,812,729	1,906,998	-94,268	1,920,864
Minority interest	24,916	23,598	1,317	22,714
Shareholders' equity				
Capital stock	100,000	100,000	-	100,000
Capital surplus	55,000	55,000	-	55,000
Consolidated retained earnings	363,450	319,491	43,959	318,447
Evaluation differences on other securities	4,546	5,597	-1,051	4,719
Treasury stock	-327	-327	-	-327
Total shareholders' equity	522,670	479,762	42,907	477,840
Total liabilities, minority interest, and shareholders' equity	2,360,315	2,410,358	-50,043	2,421,419

CONSOLIDATED STATEMENTS OF INCOME

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Change	(Reference) FY 2004
Operating revenues	910,526	904,948	5,577	1,215,735
Operating expenses	799,031	797,705	1,325	1,088,804
Operating income	111,494	107,242	4,251	126,930
Nonoperating revenues	2,493	2,700	-206	7,336
Nonoperating expenses	32,723	34,940	-2,216	48,403
Recurring profit	81,265	75,003	6,262	85,863
Extraordinary profits	57,074	34,942	22,131	110,915
Extraordinary losses	37,008	31,109	5,899	108,044
Income before income taxes	101,330	78,835	22,494	88,734
Corporation, inhabitants and enterprise taxes	42,347	31,837	10,510	39,799
Minority interests in earnings of consolidated subsidiaries	1,839	962	876	1,918
Net income	57,143	46,035	11,107	47,016

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Figures less than ¥1 million have been omitted)

	Millions of yen			
	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Change	(Reference) FY 2004
	I. Cash flows from operating activities			
Net cash provided by operating activities	85,628	72,057	13,570	140,229
II. Cash flows from investing activities				
Purchases of property, plant and equipment	-86,212	-101,329	15,117	-142,773
Other	59,098	34,073	25,024	51,081
Net cash used in investing activities	-27,113	-67,255	40,142	-91,691
III. Cash flows from financing activities				
Change in long-term borrowings, net	-23,850	-2,737	-21,113	-62,168
Other	-13,318	-8,918	-4,400	-5,823
Net cash used in financing activities	-37,169	-11,655	-25,513	-67,991
IV. Change in cash and cash equivalents, net	21,345	-6,853	28,199	-19,453
V. Cash and cash equivalents at beginning of the period	70,655	89,310	-18,655	89,310
VI. Change in cash and cash equivalents accompanying consolidation of additional subsidiaries	14	798	-784	798
VII. Cash and cash equivalents at the end of the period	92,015	83,255	8,759	70,655

SEGMENT INFORMATION

1. Information by business segment

Nine months ended December 31, 2003 (from April 1, 2003 to December 31, 2003)

	Millions of yen						
	Transportation	Sales of goods and food services	Real estate	Other	Total	Eliminations and intergroup	Consolidated
Operating revenues	632,935	171,122	52,308	172,540	1,028,907	(123,959)	904,948
Operating expenses	547,644	166,299	38,761	169,154	921,859	(124,154)	797,705
Operating income	85,290	4,823	13,547	3,385	107,047	194	107,242

Nine months ended December 31, 2004 (from April 1, 2004 to December 31, 2004)

	Millions of yen						
	Transportation	Sales of goods and food services	Real estate	Other	Total	Eliminations and intergroup	Consolidated
Operating revenues	635,762	174,817	52,930	173,702	1,037,213	(126,687)	910,526
Operating expenses	547,441	170,193	38,492	169,907	926,035	(127,003)	799,031
Operating income	88,321	4,623	14,437	3,795	111,178	316	111,494

(Reference) Fiscal 2004 (from April 1, 2003 to March 31, 2004)

	Millions of yen						
	Transportation	Sales of goods and food services	Real estate	Other	Total	Eliminations and intergroup	Consolidated
Operating revenues	844,258	229,815	69,987	257,233	1,401,294	(185,559)	1,215,735
Operating expenses	749,841	224,147	51,967	247,580	1,273,537	(184,733)	1,088,804
Operating income	94,417	5,667	18,019	9,653	127,757	(826)	126,930

Reference Materials

CONSOLIDATED STATEMENTS OF INCOME (Reference)

	Billions of yen		
	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Change from the same period of the previous year
Operating revenues	<1.43> 910.5	<1.43> 904.9	5.5
Operating expenses	799.0	797.7	1.3
Operating income	111.4	107.2	4.2
Nonoperating revenues	-30.2	-32.2	2.0
Recurring profit	81.2	75.0	6.2
Extraordinary profit	20.0	3.8	16.2
Income before income taxes	1,01.3	78.8	22.4
Income taxes	42.3	31.8	10.5
Minority interests in consolidated subsidiaries	1.8 <1.15>	0.9 <1.14>	0.8
Net income	57.1	46.0	11.1

Note: Figures in parenthesis are the consolidated-to-parent ratio

SEGMENT INFORMATION (Reference)

	Billions of yen		
	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Change from the same period of the previous year
Transportation			
Operating revenues	635.7	632.9	2.8
Operating income	88.3	85.2	3.0
Sales of goods and food services			
Operating revenues	174.8	171.1	3.6
Operating income	4.6	4.8	-0.1
Real estate			
Operating revenues	52.9	52.3	0.6
Operating income	14.4	13.5	0.8
Other			
Operating revenues	173.7	172.5	1.1
Operating income	3.7	3.3	0.4

CONSOLIDATED BALANCE SHEETS (Reference)

	Billions of yen		
	As of Dec.31, 2004	As of March 31, 2004	Change
ASSETS			
Current assets:			
Total current assets	225.5	202.3	23.2
Fixed assets:			
Property, plant and equipment	1,928.5	1,994.8	-66.2
Construction in progress	59.7	67.7	-7.9
Investments and other assets	146.4	145.4	0.9
Total fixed assets	2,134.7	2,207.9	-73.2
Total assets	2,360.3	2,410.3	-50.0

	Billions of yen		
	As of Dec.31, 2004	As of March 31, 2004	Change
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	56.5	96.9	-40.4
Accounts payable	386.7	447.9	-61.1
Total current liabilities	443.2	544.9	-101.6
Long-term liabilities:			
Bonds and Long-term debt	1,058.1	1,041.5	16.6
Retirement allowances for employees	204.2	208.9	-4.6
Deposits received	106.9	111.5	-4.6
Total long-term liabilities	1,369.4	1,362.0	7.3
Total liabilities	1,812.7	1,906.9	-94.2
Minority interests in consolidated subsidiaries	24.9	23.5	1.3
Capital stock	100.0	100.0	-
Capital surplus	55.0	55.0	-
Capital reserve	363.4	319.4	43.9
Evaluation differences on other securities	4.5	5.5	-1.0
Treasury stock	-0.3	-0.3	-
Total shareholders' equity	522.6	479.7	42.9
Total liabilities and shareholders' equity	2,360.3	2,410.3	-50.0

CONSOLIDATED STATEMENTS OF CASH FLOWS (Reference)

	Billions of yen		
	Nine months ended	Nine months ended	Change from the same
	December 31, 2004	December 31, 2003	period of the previous year
I. Cash flows from operating activities			
Income before income taxes adjustments	101.3	78.8	22.4
Depreciation and amortization	84.0	84.6	-0.6
Loss on revaluation of fixed assets	3.9	-	3.9
Loss on reduction entry of proceeds from construction	26.7	21.4	5.3
Change in allowance for retirement benefits	-4.6	-6.2	1.6
Decrease in allowance for bonuses	-19.0	-19.6	0.6
Proceeds from construction contract	-26.8	-21.7	-5.1
Income taxes refunded	-53.2	-44.0	-9.2
Other	-26.6	-21.2	-5.3
Net cash provided by operating Activities (A)	85.6	72.0	13.5
II. Cash flows from investing activities			
Purchases of property, plant and equipment	-86.2	-101.3	15.1
Proceeds from construction contract	30.3	24.6	5.7
Gain on sales of investments in securities	26.4	8.5	17.8
Other (B)	2.2	0.9	1.3
Net cash used in investing activities	-27.1	-67.2	40.1
Free cash flow (C= A+B)	58.5	4.8	53.7
III. Cash flows from financing activities			
Change in long-term borrowings, net	-23.8	-2.7	-21.1
Increases in long-term debt	42.0	56.3	-14.3
Decrease in long-term debt	-65.8	-59.0	-6.8
Change in short-term debt	0.8	0.6	0.1
Cash dividends	-12.8	-9.8	-2.9
Other	-1.3	0.2	-1.6
Net cash used in financing activities (D)	-37.1	-11.6	-25.5
Total	21.3	-6.8	28.1
Change in cash and cash equivalents accompanying consolidation of additional subsidiaries (E)	0	0.7	-0.7
Change in cash and cash equivalents, net (F= C+D+E)	21.3	-6.0	27.4

**CONSOLIDATED RESULTS FORECASTS FOR FISCAL 2005
(April 1, 2004 to March 31, 2005) (Reference)**

	Billions of yen		
	FY 2005 Forecasts	FY 2004 Results	Change from the previous year
Operating revenues	<1.44> [1,222.9] 1,219.3	<1.44> 1,215.7	 3.5
Operating expenses	1,088.0	1,088.8	-0.8
Operating income	[131.3] 131.3	126.9	4.3
Nonoperating revenues	-37.8	-41.0	3.2
Recurring profit	[93.5] 93.5	85.8	7.6
Net income	<1.19> [57.2] 57.2	<1.26> 47.0	 10.1

Notes:

1. The figures in “[]” are results forecasts announced on November 5, 2004.
2. The figures in “< >” are the consolidated-to-parent ratio

RESULTS FORECASTS BY BUSINESS SEGMENTS (Reference)

	Billions of yen		
	FY 2005 Forecasts	FY 2004 Results	Change from the previous year
Transportation			
Operating revenues	845.3	844.2	1.0
Operating income	99.3	94.4	4.8
Sales of goods and food services			
Operating revenues	230.9	229.8	1.0
Operating income	4.9	5.6	-0.7
Real estate			
Operating revenues	70.6	69.9	0.6
Operating income	18.4	18.0	0.4
Other			
Operating revenues	259.6	257.2	2.3
Operating income	9.8	9.6	0.1

NON-CONSOLIDATED STATEMENTS OF INCOME (Reference)

	Billions of yen		
	Nine months ended December 31, 2004	Nine months ended December 31, 2003	Change from the same period of the previous year
Operating revenues:			
Transportation	565.6	565.1	0.5
Transportation incidentals	16.9	17.1	-0.1
Other operations	13.4	13.9	-0.4
Miscellaneous	39.8	37.6	2.2
	635.9	633.8	2.1
Operating expenses:			
Personnel costs	216.0	220.2	-4.2
Non personnel costs	209.0	201.7	7.3
Rental payments	18.4	23.3	-4.8
Taxes	26.0	24.7	1.2
Depreciation	70.0	70.2	-0.2
	539.6	540.4	-0.7
Operating income:	96.2	93.3	2.9
Non operating loss:			
Non operating revenues	1.4	1.2	0.1
Non operating expenses	30.7	32.8	-2.0
	-29.2	-31.5	2.2
Recurring profit:	66.9	61.8	5.1
Extraordinary income:			
Extraordinary profit	51.8	34.0	17.7
Extraordinary loss	34.4	29.1	5.3
	17.3	4.9	12.3
Income before income taxes	84.3	66.7	17.5
Income taxes			
Current	27.1	29.1	-1.9
Deferred	7.6	-2.6	10.2
	34.8	26.5	8.3
Net income	49.4	40.2	9.2

NON-CONSOLIDATED BALANCE SHEETS (Reference)

	Billions of yen		
	As of Dec.31, 2004	As of March 31, 2004	Change
ASSETS			
Current assets:			
Total current assets	144.7	115.7	29.0
Fixed assets:			
Fixed assets for railway operations	1,681.8	1,723.3	-41.4
Construction in progress	57.8	66.8	-9.0
Investments and advances	216.5	220.9	-4.4
Total fixed assets	1,956.2	2,011.1	-54.9
Total assets	2,100.9	2,126.8	-25.8

	As of Dec.31, 2004	As of March 31, 2004	Change
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	47.9	89.9	-41.9
Accounts payable	376.3	426.9	-50.5
Total current liabilities	424.3	516.9	-92.5
Total long-term liabilities:			
Bonds and long-term debt	997.0	974.0	22.9
Retirement allowances for employees	186.3	191.6	-5.2
Long-term payables for leased railway facilities	17.2	4.8	12.4
Total long-term liabilities	1,200.7	1,170.6	30.1
Total liabilities	1,625.0	1,687.5	-62.4
Capital stock	100.0	100.0	-
Capital surplus	55.0	55.0	-
Retained earnings:			
Earned reserves	11.3	11.3	-
Contributions for construction deducted from acquisition costs of property, plant and equipment	7.6	3.4	4.2
Other reserves	210.0	190.0	20.0
Unappropriated income for current year	87.9	75.8	12.1
Total retained earnings	316.9	280.5	36.3
Evaluation differences on other securities	4.0	3.7	0.2
Total shareholders' equity	475.9	439.3	36.5
Total liabilities and shareholders' equity	2,100.9	2,126.8	-25.8

**NON-CONSOLIDATED RESULTS FORECASTS FOR FISCAL 2005
(April 1, 2004 to March 31, 2005) (Reference)**

	Billions of yen		
	FY 2005 Forecasts	FY 2004 Results	Change from the same period of the previous year
Operating revenues:			
Transportation	751.0	750.8	0.1
Miscellaneous	95.0	95.0	-0.0
	[848.3]		
	846.0	845.8	0.1
Operating expenses	[738.3]		
	736.0	740.4	-4.4
Operating income	[110.0]		
	110.0	105.4	4.5
Non operating loss	-36.0	-40.4	4.4
Recurring profit	[74.0]		
	74.0	65.0	8.9
Net income	[48.0]		
	48.0	37.1	10.8

Notes:

The figures in “[]” are results forecasts announced on November 5, 2004.