

July 30, 2008

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West Japan Railway Company

Flash Report (Consolidated Basis)

Results for the first quarter ended June 30, 2008

Forward-Looking Statements

This release contains forward-looking statements that are based on JR-West's current expectations, assumptions, estimates and projections about its business, industry, and capital markets around the world.

These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "may" "will" "expect" "anticipate" "plan" or similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of JR-West's financial condition, or state other forward-looking information.

Known or unknown risks, uncertainties and other factors could cause the actual results to differ materially from those contained in any forward-looking statements. JR-West cannot promise that the expectations expressed in these forward-looking statements will turn out to be correct. JR-West's actual results could be materially different from and worse than expectations.

Important risks and factors that could cause actual results to be materially different from expectations include, but are not limited to:

- expenses, liability, loss of revenue or adverse publicity associated with property or casualty losses;
- economic downturn, deflation and population decreases;
- adverse changes in laws, regulations and government policies in Japan;
- service improvements, price reductions and other strategies undertaken by competitors such as passenger railway and airline companies;
- earthquake and other natural disaster risks; and
- failure of computer telecommunications systems disrupting railway or other operations

All forward-looking statements in this release are made as of July 30, 2008 based on information available to JR-West as of the date July 30, 2008 and JR-West does not undertake to update or revise any of its forward-looking statements or reflect future events or circumstances.

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>

President: Masao Yamazaki

For further information, please contact: Michio Utsunomiya, General Manager, Corporate Communications

Department Telephone: +81-6-6375-8889

Quarterly report filing date (Planned): August 13, 2008

(Figures less than ¥1 million have been omitted.)

1. Results for the first quarter of fiscal 2009 (from April 1, 2008 to June 30, 2008)

(1) Operating results

Three months ended June 30

Percentages indicate year-on-year increase/ (decrease).

	Operating revenues		Operating income		Recurring profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2008	308,090	---	35,222	---	27,272	---	16,153	---
2007	305,122	1.7	36,603	(1.3)	28,453	(0.1)	16,297	(2.6)

	Net income per share	Net income per share after dilution
	Yen	Yen
2008	8,151.64	---
2007	8,152.40	---

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2008	2,414,249	677,835	26.9	327,479.82
March 31, 2008	2,462,831	670,838	25.9	322,294.60

(Reference) Total shareholders' equity: June 30, 2008: ¥648,945 million, March 31, 2008: ¥638,670 million

2. Dividends

Record date	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2008	---	3,000.00	---	3,000.00	6,000.00
2009	---	---	---	---	---
2009 (Forecast)	---	3,500.00	---	3,500.00	7,000.00

(Note) Revision of dividends forecast for this period: None

3. Forecasts for fiscal 2009 (from April 1, 2008 to March 31, 2009)

Percentages indicate year-on-year increase/ (decrease).

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim 2009	636,200	---	79,300	---	63,300	---
Fiscal 2009	1,298,000	0.6	143,000	4.1	114,800	5.5

	Net income		Net income per share
	Millions of yen		Yen
Interim 2009	37,200	---	18,772.38
Fiscal 2009	64,000	10.9	32,296.56

(Note) Revision of earnings forecast for this period: None

4. Other

1. Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries following a change in the scope of consolidation): None
2. Adoption of simplified accounting practices and special accounting policy for quarterly financial reporting: None
3. Changes from accounting methods, procedures and the presentation of the quarterly consolidated financial statements:
 - 1) Changes based on revision of accounting standards: Yes
 - 2) Changes other than 1) above: Yes
4. Number of shares issued and outstanding (Common share)
 - 1) Number of shares issued and outstanding (including treasury stock):
June 30, 2008: 2,000,000 shares March 31, 2008: 2,000,000 shares
 - 2) Number of treasury stock
June 30, 2008: 18,365 shares March 31, 2008: 18,365 shares
 - 3) Average number of shares outstanding for each period (cumulative term):
Three months ended June 30 2008: 1,981,635 shares 2007: 1,999,115 shares

QUALITATIVE INFORMATION RELATED TO BUSINESS PERFORMANCE AND FINANCIAL STATEMENTS

On April 25, 2005, we caused an extremely serious accident when one of its trains derailed between Tsukaguchi and Amagasaki stations on the Fukuchiyama Line, resulting in 106 fatalities and more than 500 injuries of passengers. Since the accident JR-West has exerted its full effort to support the bereaved families and all those who were victims of the accident.

JR-West has also undertaken a range of measures to improve safety. We have humbly accepted the report on the Fukuchiyama Line accident released by the Aircraft and Railway Accidents Investigation Commission in June 2007, and are working to make improvements by sincerely and quickly addressing its recommendations, findings and other issues raised.

During the subject April 2008 to June period, to further enhance the safety program we formulated a Basic Safety Plan in April, and implemented other measures that included a briefing session on the Basic Safety Plan for everyone affected by the Fukuchiyama Line accident, along with a memorial service.

JR-West has also formulated a new medium-term management plan in May 2008 for the five-year period through the fiscal year ending March 2013. Under this plan, in accordance with the Corporate Philosophy and Safety Charter adopted in March 2006, we will establish “a corporate culture that places top priority on safety,” make further improvements in safety and regain customer trust, building on this foundation to achieve sustainable growth into the future. In particular, as part of our measures to address the most essential issue of improving safety we have incorporated the Basic Safety Plan at the heart of the new medium-term management plan. Working to “Build a corporate system to ensure no accidents to produce casualties among our customers and no serious labor accidents to our employees,” we have established a safety management system based on risk assessment, and implemented a range of other measures.

In terms of reforming of the corporate culture and atmosphere that goes hand in hand with measures to improve safety, based on the recommendations of an Advisory Panel for reform of corporate culture made up of experts from outside the Company, we have established and are implementing a range of measures that cover everything from raising awareness to general operations.

Through these efforts JR-West has devoted its full effort to enhancing safety in its mainstay railway business, while also working to improve the value of our railway belts, by developing a variety of measures that draw on the unique characteristics of each of its businesses, including other Group operations, and effectively utilizing their assets.

As a result, on a consolidated basis, operating revenues for the subject quarter rose 1.0% over the same period of the previous fiscal year to ¥308.0 billion, though operating income declined 3.8% to ¥35.2 billion. Recurring profit fell 4.2% to ¥27.2 billion, while net income was down 0.9% over the same period of the previous fiscal year to ¥16.1 billion.

1. Qualitative Information on Consolidated Business Results

Consolidated Results for the First Quarter of Fiscal 2009 (April – June 2008)

Operating revenues:	¥308.0 billion
Operating income:	¥35.2 billion
Recurring profit:	¥27.2 billion
Net income:	¥16.1 billion

Results by Business Segment

(1) Transportation Operations

In the railway business, JR-West continued to pursue improvement measures that reflected the recommendations, findings and other issues raised by the accident, while in accordance with the newly formulated Basic Safety Plan began implementing measures to “Build a corporate system to ensure no accidents to produce casualties among our customers and no serious labor accidents to our employees.” Specific measures included efforts to foster an attitude of prioritizing safety through regular convening of safety meetings to allow top management and officers on the one hand and employees in the field on the other to directly exchange opinions, along with promotion of the “point and call” principle. We also began to implement and establish risk assessments, and new definitions of “accident.”

In terms of facilities, along with expansion of the ATS-P system we improved the safety of train cars and crossings, and strengthened pillars supporting elevated tracks against earthquakes. Further, taking to heart the seriousness of the accident now and in the future, we enhanced safety education through utilization of the Railway Safety Education Center established in April 2007 to teach systematically the lessons learned from accidents, and further expanded our program of “case studies of unequivocal verbal communication,” a training method to help prevent mistakes arising from miscommunication. We also conducted a series of simulation trainings in order to better aid passengers and provide an improved response when an accident occurs.

In transportation operations, on the Sanyo Shinkansen JR-West increased the number of *Nozomi* trains during the “golden week” holidays in spring and other peak travel periods, along with other measures to further improve customer convenience.

Sales and marketing initiatives included proactive publication of information on the Sanyo Shinkansen to promote utilization, including timetable revisions, the comfort of the N700 Series, and the increased number of trains in operation, as well as the convenience and price advantages of the Express Reservation system. We further worked in cooperation with local governments, travel agents and other JR companies to stimulate demand for tourism, including promotion of the DISCOVER WEST Campaign, and other campaigns to promote sightseeing in the Miyajima and Takamatsu regions.

For customer service initiatives we worked to make railways more user-friendly through such measures as increasing the number of multi-functional ticket machines, and installing elevators, escalators and other barrier-free facilities, as well as introducing screens that display current

information on train operations during emergencies or other disruptions.

To address environmental issues, JR-West worked to firmly implement its environmental management system, established carbon offset benefits for J-WEST points, and released information to promote itself as a railway friendly to the global environment. Also, the N700 Series Shinkansen received a prize during the 17th Global Environment Awards.

In bus services, with competition for highway bus services continuing to intensify, JR-West made an effort to provide routes that fit the varied needs of customers, such as services between Hokuriku and Nagoya.

As a result, operating revenues for Transportation Operations segment increased 0.6% over the same period of the previous fiscal year, to ¥210.4 billion, though operating income declined 5.2%, to ¥29.2 billion.

(2) Sales of Goods and Food Services

JR-West decided on West Japan Railway Isetan Ltd. as the main business operator for the new department store in the New North Building of Osaka Station, and established a development planning office in the company. We also continued to work to make stations more attractive, such as by opening the Kobe Food Terrace restaurant zone within Kobe Station.

As a result, operating revenues in the Sales of Goods and Food Services segment rose 2.2% over the same period of the previous fiscal year, to ¥52.0 billion, with operating income up 8.8%, to ¥1.2 billion.

(3) Real Estate Business

JR-West continued to develop station premises and surrounding areas, including the opening of AISTA Yano, a small-scale station building along the west side of Yano Station on the Kure Line. We worked to move steadily forward with the plan for the Osaka Station Renovation, including beginning work on the ACTY Osaka expansion. In addition, we continued to actively develop condominium apartments on land formerly used for housing for company employees.

As a result, operating revenues for the Real Estate segment rose 7.2% over the same period of the previous fiscal year, to ¥16.9 billion, with operating income up 7.3%, to ¥5.8 billion.

(4) Other Businesses

In travel agency operations, JR-West began utilizing its New Overseas Travel Information System, and worked to expand Internet-related sales, such as by expanding the lineup of Internet-only products.

In hotel operations, the Company promoted sales with renovations to its restaurants, as well as hosted various events.

For the ICOCA e-money service we worked to expand the number of stores around town and in stations where the service can be used, such as at Kiosk stands in the Kinki region.

As a result, operating revenues in the Other Businesses segment declined 1.9% over the same period of the previous fiscal year, to ¥28.7 billion. The segment posted an operating loss of ¥1.5 billion for the quarter.

2. Qualitative Information on the Consolidated Financial Position

(1) Cash flows from operating activities

Cash used in operating activities amounted to ¥13.5 billion, due mainly to an increase in income taxes paid.

(2) Cash flows from investing activities

Cash used in investing activities amounted to ¥40.4 billion, a decline of ¥2.3 billion from the same period of the previous fiscal year. The main factor affecting cash was a decrease in expenditures for purchases of property, plant and equipment.

(3) Cash flows from financing activities

Cash provided by financing activities amounted to ¥43.9 billion, an increase of ¥18.5 billion from the same period of the previous fiscal year, due mainly to the issuance of corporate bonds.

As a result, cash and cash equivalents at the end of the subject quarter decreased ¥10.0 billion from March 31, 2008, to ¥34.5 billion.

3. Qualitative Information on Consolidated Forecasts

The future of the Japanese economy has become increasingly uncertain due to global economic trends, rising prices for fuel and raw materials, and other concerns.

However, since consolidated results have been in line with our initial plan, at this time JR-West is making no changes to its forecasts for the fiscal year ending March 31, 2009, announced on April 30, 2008.

4. Significant Changes in Accounting Principles, Procedures or Presentation of Results Relevant to Preparation of the Quarterly Financial Statement

(1) Changes due to changes in accounting standards

Accounting standards relevant to the quarterly financial statement

From the subject fiscal year JR-West has adopted Accounting Standards Board of Japan (ASBJ) Statement No. 12 *Accounting Standard for Quarterly Financial Reporting* and its Implementation Guidance, ASBJ Guidance No. 14 *Guidance on Accounting Standard for Quarterly Financial Reporting*. The consolidated quarterly financial statement was prepared in accordance with regulations for quarterly financial statements.

(2) Other changes

Accounting standards for lease transactions

From the subject fiscal year JR-West has adopted *Accounting Standard for Lease Transactions* (ASBJ Statement No. 13, revised March 30, 2007) and *Guidance on Accounting Standard for Lease Transactions* (ASBJ Guidance No. 16, revised March 30, 2007), as this accounting standard and

guidance was available for application in quarterly financial statements for consolidated fiscal years beginning on April 1, 2008. Financial lease transactions other than ownership transfers with a commencement date up to March 31, 2008, are accounted for in accordance with ordinary methods for lease transactions, while those with a commencement date from April 1, 2008, are accounted for as ordinary sales transactions. Depreciation for these lease assets is calculated by the straight-line method, with the lease period equivalent to the serviceable life of the asset, with no residual value.

The impact on quarterly consolidated financial statements as a result of this change is minimal.

5. Consolidated Financial Statements

1. Consolidated Balance Sheets

	Millions of yen	
	June 30, 2008	March 31, 2008
ASSETS		
Current assets:		
Cash	34,802	44,836
Notes and accounts receivable-trade	12,284	19,139
Railway fares receivable	17,614	21,836
Accounts receivable	38,281	48,451
Inventories	32,021	22,246
Deferred tax assets	12,594	19,938
Other current assets	43,624	45,025
Less allowance for doubtful accounts	(391)	(335)
Total current assets	190,833	221,138
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	971,538	979,074
Machinery and transport equipment	281,671	282,599
Land	657,436	657,469
Construction in progress	69,655	81,301
Other property, plant and equipment	26,646	28,195
Total Property, plant and equipment	2,006,948	2,028,639
Intangible fixed assets	19,113	20,017
Investments and other assets:		
Investments in securities	61,057	60,038
Deferred tax assets	112,218	109,035
Other investments and assets	25,047	24,897
Less allowance for doubtful accounts	(1,029)	(998)
Total Investments and other assets	197,293	192,973
Total fixed assets	2,223,355	2,241,630
Deferred assets	60	62
Total assets	2,414,249	2,462,831

	Millions of yen	
	June 30, 2008	March 31, 2008
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes and accounts payable-trade	35,408	48,109
Short-term loans	30,347	13,630
Current portion of redemption of corporate bonds	45,000	45,000
Current portion of long-term debt	43,073	42,979
Current portion of long-term payables for acquisition of railway properties	34,598	34,598
Current portion of long-term accounts payable	31	31
Accounts payable	46,189	126,772
Accrued consumption tax	7,153	3,135
Accrued income tax	7,917	37,589
Prepaid railway fares received	33,914	31,260
Advances received	81,524	66,574
Allowance for bonuses	17,461	34,817
Allowance for point program	748	670
Other current liabilities	109,945	93,526
Total current liabilities	493,315	578,698
Fixed liabilities:		
Bonds	259,965	234,964
Long-term debt	201,268	206,531
Long-term payables for acquisition of railway properties	392,872	392,872
Long-term accounts payable	277	285
Deferred tax liabilities	145	141
Accrued retirement benefits	266,132	257,038
Allowance for antiseismic reinforcement measures	2,183	2,222
Allowance for environmental safety measures	11,371	11,466
Allowance for unredeemed gift tickets	2,667	2,667
Other long-term liabilities	106,214	105,105
Total fixed liabilities	1,243,098	1,213,294
Total liabilities	1,736,414	1,791,993

	Millions of yen	
	June 30, 2008	March 31, 2008
NET ASSETS		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	55,000	55,000
Retained earnings	499,378	489,366
Treasury stock, at cost	(10,343)	(10,343)
Total shareholders' equity	644,034	634,022
Valuation and translation adjustments:		
Net unrealized holding gain on securities	5,204	4,552
Deferred gains or losses on hedges	(293)	95
Total valuation and translation adjustments	4,910	4,647
Minority interests	28,889	32,167
Total net assets	677,835	670,838
Total liabilities and net assets	2,414,249	2,462,831

2. Consolidated Statements of Income

	Millions of yen
	Three months ended June 30, 2008
Operating revenues	308,090
Operating expenses:	
Transportation, other services and cost of sales	221,181
Selling, general and administrative expenses	51,686
	35,222
Operating income	
Non-operating revenues:	
Interest received	18
Dividend income received	216
Reversal of administrative fee for entrusted construction	28
Equity in earnings of affiliates	124
Other	433
	822
Non-operating expenses:	
Interest expense	8,513
Other	259
	8,772
Recurring profit	27,272
Extraordinary profits:	
Gain on contributions received for construction	13,563
Other	693
	14,257
Extraordinary losses:	
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	13,401
Other	739
	14,141
Income before income taxes and minority interests	27,388
Income taxes:	
Current	6,991
Deferred	4,090
	11,081
Minority interests	153
Net income	16,153

3. Consolidated Statements of Cash Flows

	Millions of yen
	Three months ended June 30, 2008
Cash flows from operating activities	
Income before income taxes and minority interests	27,388
Depreciation and amortization	32,736
Loss on deduction of property, plant and equipment	13,401
Loss on disposal of property, plant and equipment	784
Change in allowance for doubtful accounts	86
Change in allowance for retirement benefits	9,094
Change in allowance for accrued bonuses	(17,355)
Interest and dividend income	(235)
Interest and bond interest expenses	8,513
Equity in earnings of affiliates	(124)
Gain on contributions received for construction	(13,563)
Change in notes and accounts receivable	23,262
Change in inventories	(9,715)
Change in notes and accounts payable	(43,560)
Change in accrued consumption tax	4,016
Other	(10,340)
Subtotal	24,387
Interest and dividends income received	156
Interest paid	(3,019)
Income taxes paid	(35,046)
Net cash provided by operating activities	(13,521)
Cash flows from investing activities	
Purchases of property, plant and equipment	(52,945)
Proceeds from sales of property, plant and equipment	529
Contributions received for constructions	14,424
Increase in investments in securities	(2,023)
Payments on long-term loans receivable	(370)
Collections of long-term loans receivable	50
Other	(106)
Net cash used in investing activities	(40,441)

(continued on page 16)

	Millions of yen
	Three months ended June 30, 2008
Cash flows from financing activities	
Change in short-term loans, net	6,385
Proceeds from long-term loans	30,200
Repayment of long-term loans	(35,376)
Proceeds from issuance of bonds	25,000
Cash dividends paid to the Company's shareholders	(5,613)
Cash dividends paid to minority shareholders of consolidated subsidiaries	(126)
Other	23,442
Net cash used in financing activities	43,911
Change in cash and cash equivalents, net	(10,051)
Increase in cash and cash equivalent due to the merger of nonconsolidated subsidiaries	17
Cash and cash equivalents at the beginning of the period	44,606
Cash and cash equivalents at the end of the period	34,572

4. SEGMENT INFORMATION

Three months ended June 30, 2008

	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	210,417	52,027	16,933	28,711	308,090	---	308,090
Intergroup operating revenues and transfers	4,191	11,221	3,153	28,312	46,879	(46,879)	---
Total sales	214,608	63,248	20,087	57,024	354,969	(46,879)	308,090
Operating income	29,290	1,286	5,873	(1,571)	34,878	343	35,222

Notes: Main activities of business segments

Transportation: railways, ferries, buses

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

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

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

Reference Materials

Results for the first quarter of fiscal 2008 (from April 1, 2007 to June 30, 2007)

Consolidated Statements of Income

	Millions of yen
	Three months ended June 30, 2007
Operating revenues	305,122
Operating expenses	268,518
Operating income	36,603
Non-operating revenues	908
Non-operating expenses	9,058
Recurring profit	28,453
Extraordinary profits	6,502
Extraordinary loss	7,705
Income before income taxes and minority interests	27,250
Income taxes	10,852
Minority interests	100
Net income	16,297

Consolidated Statements of Cash Flows

	Millions of yen
	Three months ended June 30,2007
I. Cash flows from operating activities	
Net cash provided by (used in) operating activities	2,611
II. Cash flows from investing activities	
Purchases of property, plant and equipment	(59,525)
Other	16,767
Net cash used in investing activities	(42,758)
III. Cash flows from financing activities	
Change in long-term debt and payables	6,520
Other	18,886
Net cash used in financing activities	25,407
IV. Change in cash and cash equivalents, net	(14,739)
V. Cash and cash equivalents at the beginning of the period	57,584
VI. Cash and cash equivalents at the end of the period	42,845

SEGMENT INFORMATION

Information by business segment

Three months ended June 30, 2007

	Millions of yen						
	Transportation	Sales of goods and food services	Real estate	Other	Total	Eliminations and intergroup	Consolidated
Operating revenues	213,221	60,847	19,050	57,278	350,398	(45,276)	305,122
Operating expenses	182,326	59,665	13,577	58,364	313,933	(45,414)	268,518
Operating income	30,894	1,182	5,473	(1,085)	36,465	138	36,603

Reference Materials

Non-Consolidated Balance Sheets

	Billions of yen		
	March 31, 2008	June 30, 2008	Change
ASSETS			
Current assets:			
Total current assets	148.8	115.3	(33.5)
Fixed assets:			
Fixed assets for railway operations	1,715.7	1,706.9	(8.8)
Construction in progress	76.3	64.7	(11.6)
Investments and other assets	281.8	288.3	6.5
Total fixed assets	2,074.0	2,060.0	(13.9)
Total assets	2,222.9	2,175.4	(47.5)

	Billions of yen		
	March 31, 2008	June 30, 2008	Change
LIABILITIES AND NET ASSETS			
Current liabilities:			
Current portion of long-term debt	120.0	120.1	0.1
Accounts payable, etc.	467.5	381.3	(86.1)
Total current liabilities	587.5	501.5	(86.0)
Fixed liabilities:			
Bonds and long-term debt	815.6	835.8	20.1
Accrued retirement benefits	238.5	247.5	9.0
Other fixed liabilities	28.7	28.5	(0.1)
Total fixed liabilities	1,082.9	1,111.9	29.0
Total liabilities	1,670.5	1,613.4	(57.0)
Shareholders' equity:			
Common stock	100.0	100.0	---
Capital surplus	55.0	55.0	---
Retained earnings	403.4	412.3	8.8
Treasury stock, at cost	(9.9)	(9.9)	---
Total shareholders' equity	548.4	557.3	8.8
Valuation and translation adjustments	4.0	4.6	0.6
Total net assets	552.4	561.9	9.4
Total liabilities and net assets	2,222.9	2,175.4	(47.5)

Non-Consolidated Statements of Income

Three months ended June 30

	Billions of yen			%
	2007	2008	Change from the same period of the previous year	
Operating revenues:				
Transportation	191.0	191.9	0.8	0.5
Transportation incidentals	5.3	5.4	0.1	1.9
Other operations	4.8	5.2	0.3	6.8
Miscellaneous	12.5	12.7	0.1	1.4
	213.8	215.3	1.5	0.7
Operating expenses:				
Personnel costs	67.7	67.5	(0.2)	(0.4)
Non personnel costs	69.3	69.5	0.1	0.2
Rental payments, etc	6.2	6.4	0.1	2.9
Taxes	11.7	11.6	(0.1)	(0.9)
Depreciation and amortization	24.7	27.7	2.9	11.8
	179.9	182.8	2.9	1.6
Operating income	33.8	32.4	(1.4)	(4.2)
Non-operating revenues and expenses, net:				
Non-operating revenues	0.7	0.9	0.1	
Non-operating expenses	8.9	8.7	(0.1)	
	(8.1)	(7.8)	0.3	(4.2)
Recurring profit	25.7	24.6	(1.0)	(4.2)
Extraordinary profit and loss, net:				
Extraordinary profit	6.3	13.7	7.3	
Extraordinary loss	7.2	13.8	6.6	
	(0.8)	(0.0)	0.7	
Income before income taxes	24.8	24.5	(0.3)	(1.2)
Income taxes	9.7	9.7	0.0	
Net income	15.1	14.80	(0.3)	(2.2)

Passenger-Kilometers and Transportation Revenues

		Millions of passenger-kilometers				Billions of yen			
		Passenger-Kilometers				Transportation Revenues			
		Three months ended June 30		Change		Three months ended June 30		Change	
		2007	2008	Amount	%	2007	2008	Amount	%
Sanyo Shinkansen									
	Commuter Passes	175	180	5	3.2	2.1	2.2	0.0	3.7
	Non-Commuter Passes	3,663	3,679	15	0.4	81.2	81.4	0.2	0.3
	Total	3,838	3,859	21	0.6	83.3	83.6	0.3	0.4
Conventional Lines									
	Commuter Passes	6,114	6,134	20	0.3	36.8	36.9	0.1	0.4
	Non-Commuter Passes	3,662	3,675	12	0.4	70.7	71.1	0.3	0.5
	Total	9,776	9,809	33	0.3	107.5	108.1	0.5	0.5
Kyoto-Osaka-Kobe Area									
	Commuter Passes	4,918	4,937	18	0.4	29.7	29.8	0.1	0.4
	Non-Commuter Passes	2,485	2,511	25	1.0	46.1	46.6	0.4	1.0
	Total	7,404	7,448	44	0.6	75.8	76.4	0.5	0.7
Other Lines									
	Commuter Passes	1,195	1,197	2	0.2	7.0	7.1	0.0	0.7
	Non-Commuter Passes	1,176	1,163	(12)	(1.1)	24.6	24.5	(0.0)	(0.3)
	Total	2,371	2,361	(10)	(4.0)	31.7	31.6	(0.0)	(0.1)
Total									
	Commuter Passes	6,289	6,315	26	0.4	38.9	39.2	0.2	0.6
	Non-Commuter Passes	7,325	7,354	28	0.4	151.9	152.6	0.6	0.4
	Total	13,614	13,669	55	0.4	190.9	191.8	0.8	0.5

Capital Expenditures

Consolidated Basis

	Three months ended June 30		Change from the same period of the previous year		Plan for year ending March 31, 2009
	2007	2008	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	29.2	24.3	(4.8)	(16.6)	
Capital expenditures, excluding contributions received for constructions	27.2	19.4	(7.8)	(28.7)	175.0
Contributions received for constructions	1.9	4.9	2.9	152.9	

Non-Consolidated Basis

	Three months ended June 30		Change from the same period of the previous year		Plan for year ending March 31, 2009
	2007	2008	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	24.8	21.2	(3.6)	(14.6)	
Capital expenditures, excluding contributions received for constructions	22.9	16.3	(6.6)	(28.8)	135.0
[Safety-related capital expenditures]	[13.9]	[9.2]	[(4.6)]	[(33.7)]	[77.0]
Contributions received for constructions	1.9	4.9	2.9	152.9	

Major Capital Expenditures

Safety and accident-prevention measures, including installation of ATS; introduction of new rolling stock (N700 Series Shinkansen and the 223 Series), Osaka Station Renovation and the New North Building Development, etc.