

July 28, 2010

Last posted on July 28, 2010

West Japan Railway Company

Flash Report [Based on Japanese GAAP] (Consolidated Basis)

Results for the first quarter ended June 30, 2010

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 airlines companies;
- infectious disease outbreak and epidemic;
- 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 28, 2010 based on information available to JR-West as of the date July 28, 2010 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>

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Quarterly report filing date (Planned): August 11, 2010 Planned start of dividend payments: —

Quarterly supplemental explanatory material prepared: Yes

Quarterly results briefing held: None

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

1. Results for the first quarter of fiscal 2010 (from April 1, 2010 to June 30, 2010)

(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	%
2010	288,760	2.2	31,438	100.9	23,930	209.8	13,600	227.7
2009	282,426	(8.3)	15,646	(55.6)	7,723	(71.7)	4,150	(74.3)

	Net income per share	Net income per share after dilution
	Yen	Yen
2010	7,023.77	—
2009	2,143.20	—

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2010	2,561,130	707,722	26.4	348,736.36
March 31, 2010	2,546,384	702,141	26.3	345,568.31

(Reference) Total shareholders' equity: June 30, 2010: ¥675,298 million, March 31, 2010: ¥669,164 million

2. Dividends

Year ended/ ending March 31

	Dividends per share				
	June 30	September 30	December 31	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2010	—	3,500.00	—	3,500.00	7,000.00
2011	—				
2011 (Forecast)	—	3,500.00	—	3,500.00	7,000.00

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

3. Forecasts for Fiscal 2010 Ending March 31, 2011

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	587,000	(0.7)	49,000	11.7	33,000	19.7
Fiscal year	1,193,000	0.2	78,000	1.9	49,000	1.9

	Net income		Net income per share
	Millions of yen	%	Yen
Interim period	19,000	10.9	9,811.94
Fiscal year	28,000	12.6	14,459.70

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

4. Other

1. Significant changes in subsidiaries during the subject period

Additions: None

Deletions: None

Note: Indicates whether there was any change in a specific subsidiary related to a change in the scope of consolidation during the subject accounting period.

2. Adoption of simplified accounting practices and special accounting policy for quarterly financial reporting:

None

Note: Indicates whether simplified accounting practices or special accounting practices in the preparation of the consolidated financial statements were applied.

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: None

Note: Indicates whether there were any changes in accounting principles and procedures, or presentation method, related to the preparation of the consolidated financial statements, noted in "Significant Changes Fundamental to the Preparation of Financial Statements."

4. Number of shares issued and outstanding (Common share)

1) Number of shares issued and outstanding (including treasury stock):

Fiscal 2010 1Q	2,000,000	Fiscal 2009	2,000,000
Fiscal 2010 1Q	63,584	Fiscal 2009	63,584
Fiscal 2010 1Q	1,936,416	Fiscal 2009 1Q	1,936,416

2) Number of treasury stock

3) Average number of shares outstanding for each period (cumulative term):

* Indication regarding the status of quarterly review procedures

These financial statements are not subject to quarterly review procedures under the Financial Instruments and Exchange Act. The review of these financial statements in accordance with the Financial Instruments and Exchange Act had not been completed at the time of disclosure.

1. QUALITATIVE INFORMATION ON THE RESULTS FOR THE SUBJECT PERIOD

On April 25, 2005, JR-West 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 with regard to its three pillars of management, specifically “Measures to have ourselves accepted as acting with the best of intentions by the victims of the train accident,” “Measures to enhance safety,” and “Furthering of reform.” We have also 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 proposals, opinions and other issues raised.

In response to the serious compliance issues uncovered in September 2009 that occurred during the investigation of the Fukuchiyama Line accident conducted by the Aircraft and Railway Accidents Investigation Commission, JR-West implemented measures to prevent a reoccurrence, and stepped up its efforts with regard to the three pillars of management adopted for corporate revitalization.

During the subject first quarter period (April 1, 2010 to June 30, 2010), JR-West held a memorial service for the victims of the Fukuchiyama Line accident, and continued to make concerted efforts with regard to the families of the victims that they would be able to accept with sincerity. Further, in consideration of the Fukuchiyama Line accident, JR-West implemented measures to help foster a safe and secure society through the JR West Anshin Foundation established in April 2009.

JR-West also worked to achieve the goal of its five-year Medium-Term Management Plan, formulated in May 2008. 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 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.

As part of its reform effort, JR-West, in accordance with the recommendations of an Advisory Panel for reform of corporate culture made up of experts from outside the Company, implemented a range of measures that include raising awareness and general operations, in the recognition that such measures are the necessary counterpart to improving safety.

In response to the serious compliance issues uncovered in September 2009, JR-West is currently making concerted efforts toward preventing a reoccurrence and corporate revitalization. Specifically, we convened regular meetings of the Corporate Ethics Committee that acts as a consultative body for the Board of Directors, and implemented measures aimed at firmly establishing corporate ethics, including corporate ethics training for directors. We also undertook various measures to reform the corporate culture, centered on the Corporate Revival Headquarters established in December 2009. In April 2010 JR-West made a report to the Minister of Land, Infrastructure and Transport on the progress of its improvement measures.

The business environment for JR-West was extremely challenging, with uncertainty regarding the future of the Japanese economy and deep discounts for expressway tolls and other issues. Faced with these conditions, with the aim of long-term improvements in its corporate value, JR-West has devoted its full effort to enhancing safety in its mainstay railway business, while also working to enhance 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. We also developed various marketing strategies to stimulate travel demand, worked to secure earnings, and under the Management Improvement Headquarters established in March 2009, revised the entire business operating structure to strengthen management foundations.

As a result, on a consolidated basis operating revenues for the subject first quarter rose 2.2% from the same period of the previous fiscal year to ¥288.7 billion. Operating income increased 100.9% from a year earlier to ¥31.4 billion, while recurring profit rose 209.8% to ¥23.9 billion, with net income up 227.7% to ¥13.6 billion.

(1) Qualitative Information on Consolidated Business Results

Consolidated Results for the First Quarter of Fiscal 2010 (April – June 2010)

Operating revenues:	¥288.7 billion
Operating income:	¥31.4 billion
Recurring profit:	¥23.9 billion
Net income:	¥13.6 billion

Results by Business Segment

a. Transportation Operations

In the railway business, JR-West continued to pursue improvement measures that reflected the remarks, including the proposals and opinions, noted in the investigation report on the Fukuchiyama Line accident. Further, to enhance safety we continued to implement risk assessment measures aimed at “building a corporate system to ensure no accidents to produce causalities among our customers and no serious labor accidents to our employees” in accordance with the Basic Safety Plan formulated in April 2008. Specifically, these measures were enhanced through efforts that include sharing information on risks, and the horizontal development of recommended initiatives for effective countermeasures and risk assessment. We also continued with such measures as convening regular safety meetings to allow top management and officers on the one hand, and employees in the field on the other, to directly exchange opinions.

In terms of facilities, along with expansion of the ATS-P system, JR-West took additional steps that included enhancing the safety of crossings, and strengthening pillars supporting elevated tracks against earthquakes. Further, taking to heart the seriousness of accidents now and in the future, we expanded to all JR-West Group employees the safety training session conducted at the Railway Safety Education Center, established to teach systematically the lessons learned from accidents. Various types of training sessions were also conducted on caring for passengers and improved response in the event of an accident.

In transportation operations, JR-West worked to enhance convenience with measures that included increasing the number of *Nozomi* trains providing direct service between Tokyo and

Okayama, Hiroshima and Hakata during the “golden week” holidays from April 28 to May 5 and weekends. We also increased the number of limited express trains on conventional lines.

In marketing initiatives, JR-West worked to promote use of the Sanyo Shinkansen by operating additional trains, and implementing a proactive campaign to highlight the comfort of the N700 Series, along with the convenience and price advantages of the EX-IC service and the Express Reservation system. We also enhanced railway convenience by launching in May the ICOCA direct commuter pass service with Keihan Electric Railway Co., Ltd. Further, JR-West worked in cooperation with local governments, travel agents and other JR companies to stimulate demand for tourism by offering various campaigns such as the Nara Destination Campaign.

For customer service initiatives, JR-West expanded the use of video on station and in-car displays to provide guidance to help passengers use the railway in safety and comfort.

In environmental issues, JR-West implemented the “Think and Act Eco” initiative to encourage every employee to reconsider their lifestyles and work from an environmental perspective. We also continued with Group-wide measures incorporating customer participation, such as the “Eco Life Point” service.

In bus services, JR-West worked to enhance customer convenience with measures including timetable revisions and flexible pricing schemes.

As a result, operating revenues for the Transportation Operations segment increased 2.0% from the same period of the previous fiscal year, to ¥195.3 billion, with operating income up 121.5%, to ¥25.1 billion.

b. Sales of Goods and Food Services

For the new department store in the New North Building of Osaka Station, JR-West began making preparations for opening centered on the development planning office for the facility’s main business operator West Japan Railway Isetan Ltd. We also continued efforts to make stations more attractive, including opening new retail outlets such as the prepared foods shop Eki-Deli in Osaka Station following station renovations, as well as retail shops and restaurants in the renovated Hakata Station, such as Café Estación.

As a result, operating revenues in the Sales of Goods and Food Services segment rose 0.6% from the same period of the previous fiscal year, to ¥48.5 billion, with operating income up 346.1% to ¥0.7 billion.

c. Real Estate Business

JR-West moved forward with the development of stations and surrounding areas, including opening the JR Oji Station NK Building centered on restaurants, and the JR Tamatsukuri Station NK Building comprising health clinics. We also moved steadily forward with the plan for the Osaka Station Development Project, including making progress with the renovation of Osaka Station and work to develop the New North Building, as well as expansion of the ACTY Osaka building. In April 2010 JR-West merged with two consolidated subsidiaries in the Hiroshima area that operate shopping centers, with the aim of strengthening their competitiveness and overall capabilities.

As a result, operating revenues for the Real Estate segment rose 7.3% from the same period of the previous fiscal year, to ¥18.1 billion, with operating income up 8.4% to ¥6.0 billion.

d. Other Businesses

In hotel operations, JR-West worked to expand sales through such measures as renovation of restaurant facilities, and hosting various events.

In travel agency operations, JR-West worked to increase sales by developing and enhancing the convenience of travel packages sold through the internet sales system, and by expanding the lineup of products that utilize the railway.

For the ICOCA e-money service, we worked to provide more opportunities to use the service around town, such as for tickets to events and tourist facilities.

As a result, operating revenues in the Other Businesses segment rose 3.7% from the same period of the previous fiscal year, to ¥26.7 billion, through the segment posted an operating loss for the period of ¥0.6 billion.

(2) Qualitative Information on the Consolidated Financial Position

a. Cash Flows from Operating Activities

Cash provided by operating activities amounted to ¥24.4 billion (compared to cash used of ¥13.1 billion in the same period of the previous fiscal year). This was due mainly to an increase in income before income taxes and minority interests, along with a decline in income taxes paid.

b. Cash Flows from Investing Activities

Cash used in investing activities amounted to ¥73.2 billion, an increase of ¥37.4 billion compared to the same period of the previous fiscal year. This was due mainly to increases in expenditures for acquisition of fixed assets, and investments in securities.

c. Cash Flows from Financing Activities

Cash provided by financing activities amounted to ¥58.7 billion, an increase of ¥2.7 billion compared to the same period of the previous fiscal year. This was due mainly to a decrease in repayment of long-term loans.

As a result, cash and cash equivalents at the end of the subject first quarter period amounted to ¥61.0 billion, an increase of ¥9.9 billion from the end of the previous fiscal year (March 31, 2010).

(3) Qualitative Information on Consolidated Forecasts

The JR-West Group's earnings rose considerably from the previous fiscal year, due mainly to the rebound following economic slump and the impact from the outbreak of the same period of the previous fiscal year's new strain of influenza. These results were basically in line with forecasts. The business environment for JR-West is expected to remain difficult due to uncertainty in such aspects as the outlook for the Japanese economy, and trends in government policies regarding expressway tolls.

In response to these circumstances, JR-West, under the direction of the Corporate Revival Headquarters established in March 2009, will work to strengthen its management structure through revision to the entire operational framework. At the same time, we will continue to implement measures to further improve safety, as well as steadily implement business strategies for sustainable development, such as direct through-service operations on the Sanyo and Kyushu Shinkansen lines, and the Osaka Station Development Project.

In consideration of these factors, JR-West is making no revisions to its consolidated earnings forecasts for the fiscal year ending March 2011 from those announced on April 28, 2010.

Note: Forecasts are based on certain assumptions considered reasonable at the time of this announcement, and are subject to change.

2. OTHER INFORMATION

(1) Changes in Accounting Principles, Procedures or Presentation Method

Application of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

From the first quarter of the subject fiscal year, JR-West has applied “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, March 10, 2008), and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (PITF No. 24, March 10, 2008).

There is no impact on the consolidated financial statements as a result of this change.

Application of accounting standard for asset retirement obligations

From the first quarter of the subject fiscal year, JR-West has applied “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 10, 2008).

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

Application of accounting standards for business combinations

From the first quarter of the subject fiscal year, JR-West has applied “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008); “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008); “Partial amendments to ‘Accounting Standard for Research and Development Costs’” (ASBJ Statement No. 23, December 26, 2008); “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008); “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, December 26, 2008); and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).

3. CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Balance Sheets

	Millions of yen	
	June 30, 2010	March 31, 2010
ASSETS		
Current assets:		
Cash	41,308	51,314
Notes and accounts receivable-trade	11,350	14,282
Railway fares receivable	18,259	22,714
Accounts receivable	29,198	42,038
Short-term investment securities	50,000	—
Inventories	37,580	29,534
Deferred income taxes	10,850	17,857
Other current assets	49,841	46,351
Less allowance for doubtful accounts	(775)	(840)
Total current assets	247,614	223,254
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	975,103	989,472
Machinery and transport equipment	287,952	285,890
Land	658,919	658,809
Construction in progress	112,040	107,533
Other property, plant and equipment	30,287	30,570
Total property, plant and equipment	2,064,303	2,072,276
Intangible fixed assets	24,071	24,933
Investments and other assets:		
Investments in securities	58,500	59,327
Deferred tax assets	139,533	139,030
Other investments and assets	28,273	28,729
Less allowance for doubtful accounts	(1,185)	(1,188)
Total investments and other assets	225,120	225,898
Total fixed assets	2,313,496	2,323,107
Deferred assets:	19	22
Total assets	2,561,130	2,546,384

	Millions of yen	
	June 30, 2010	March 31, 2010
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	33,388	47,999
Short-term loans	33,614	12,932
Current portion of long-term debt	30,927	33,428
Current portion of long-term payables for acquisition of railway properties	30,009	30,020
Current portion of long-term accounts payable	31	31
Accounts payable	50,297	102,385
Accrued consumption tax	6,305	1,901
Accrued income tax	4,180	13,793
Prepaid railway fares received	33,757	31,450
Advances received	53,775	35,060
Allowance for bonuses	16,486	33,032
Allowance for point program	653	580
Other current liabilities	99,724	85,586
Total current liabilities	393,151	428,201
Fixed liabilities:		
Bonds	414,968	384,968
Long-term debt	276,648	260,820
Long-term payables for acquisition of railway properties	329,485	329,474
Long-term accounts payable	214	222
Deferred tax liabilities	253	213
Accrued retirement benefits	324,437	324,801
Allowance for environmental safety measures	8,802	9,039
Provision for unredeemed gift certificates	2,636	2,715
Other long-term liabilities	102,809	103,785
Total fixed liabilities	1,460,256	1,416,040
Total liabilities	1,853,408	1,844,242

(continued on page 11)

	Millions of yen	
	June 30, 2010	March 31, 2010
NET ASSETS		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	55,000	55,000
Retained earnings	550,133	543,323
Treasury stock, at cost	(30,343)	(30,343)
Total shareholders' equity	674,790	667,980
Valuation and translation adjustments:		
Net unrealized holding gain on securities	691	1,292
Deferred gains or losses on hedges	(182)	(108)
Total Valuation and translation adjustments	508	1,183
Minority interests	32,423	32,977
Total net assets	707,722	702,141
Total liabilities and net assets	2,561,130	2,546,384

2. Consolidated Statements of Income

Three months ended June 30

	Millions of yen	
	2009	2010
Operating revenues	282,426	288,760
Operating expenses:		
Transportation, other services and cost of sales	216,886	217,001
Selling, general and administrative expenses	49,893	40,320
Total operating expenses	266,779	257,322
Operating income	15,646	31,438
Non-operating revenues:		
Interest income	29	29
Dividend income	98	82
Transfer from administrative fee of contracted construction	8	15
Equity in earnings of affiliates	439	479
Insurance bonus	—	309
Other	388	466
Total non-operating revenues	963	1,383
Non-operating expenses:		
Interest expense	8,440	8,324
Other	445	567
Total non-operating expenses	8,886	8,891
Recurring profit	7,723	23,930
Extraordinary profits:		
Gain on contributions received for construction	3,020	4,902
Other	1,024	822
Total extraordinary profits	4,044	5,724
Extraordinary losses:		
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	2,849	4,812
Other	2,245	991
Total extraordinary losses	5,095	5,803
Income before income taxes and minority interests	6,672	23,851
Income taxes- Current	1,214	3,694
Income taxes- Deferred	1,648	6,996
Total income taxes	2,862	10,691
Income before minority interests in loss	—	13,160
Minority interests in loss	(340)	(440)
Net income	4,150	13,600

3. Consolidated Statements of Cash Flows

Three months ended June 30

	Millions of yen	
	2009	2010
Cash flows from operating activities		
Income before income taxes and minority interests	6,672	23,851
Depreciation and amortization	33,493	35,284
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	2,849	4,812
Loss on disposal of property, plant and equipment	1,073	1,750
Change in allowance for doubtful accounts	69	(67)
Change in allowance for retirement benefits	9,264	(363)
Change in allowance for accrued bonuses	(17,103)	(16,545)
Interest and dividend income	(127)	(111)
Interest expenses	8,440	8,324
Equity in earnings of affiliates	(439)	(479)
Gain on contributions received for construction	(3,020)	(4,902)
Change in notes and accounts receivable	26,008	22,499
Change in inventories	(10,798)	(8,045)
Change in notes and accounts payable	(33,093)	(20,213)
Change in accrued consumption tax	460	4,404
Other	(10,887)	(12,447)
Subtotal	12,862	37,750
Interest and dividends income received	20	113
Interest paid	(1,487)	(1,459)
Income taxes paid	(24,577)	(11,932)
Net cash provided by (used in) operating activities	(13,183)	24,470
Cash flows from investing activities		
Payments for time deposits with a maturity of more than three months	—	(50)
Proceeds for time deposits with a maturity of more than three months	—	50
Purchase of short-term investment securities	—	(30,000)
Purchases of property, plant and equipment	(51,162)	(58,720)
Proceeds from sales of property, plant and equipment	231	136
Contributions received for constructions	14,620	15,683
Increase in investments in securities	(6)	(150)
Proceeds from sales of investments in securities	(229)	(448)
Collections of long-term loans receivable	164	344
Other	575	(139)
Net cash used in investing activities	(35,806)	(73,293)

(continued on page 14)

	Millions of yen	
	2009	2010
Cash flows from financing activities		
Change in short-term loans	(14,856)	1,268
Proceeds from long-term loans	61,900	18,300
Repayment of long-term debt	(35,459)	(4,980)
Proceeds from issuance of bonds	40,000	30,000
Cash dividends paid to the Company's shareholders	(6,440)	(6,431)
Cash dividends paid to minority shareholders of consolidated subsidiaries	(117)	(117)
Other	10,985	20,723
Net cash provided by financing activities	56,012	58,762
Change in cash and cash equivalents, net	7,022	9,939
Cash and cash equivalents at the beginning of the period	41,184	51,084
Increase in cash and cash equivalents from newly consolidated subsidiaries	2,201	54
Cash and cash equivalents at the end of the period	50,407	61,078

4. Segment Information

Information by Business Segment

Three months ended June 30, 2009

	Millions of yen						
	Transportation	Sales of goods and food services	Real estate	Other businesses	Total	Eliminations and intergroup	Consolidated
Operating revenues and income:							
Operating revenues from third parties	191,497	48,229	16,871	25,827	282,426	—	282,426
Intergroup operating revenues and transfers	4,076	11,896	3,106	29,503	48,582	(48,582)	—
Total sales	195,574	60,125	19,977	55,331	331,008	(48,582)	282,426
Operating income (loss)	11,348	179	5,538	(1,712)	15,353	293	15,646

Notes: 1. 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.

2. 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 businesses:	Hotels, travel services, construction, etc.

Segment Information

(1) Overview of Reportable Segments

The JR-West Group's reportable segments allow it to acquire financial data separated into the various components of the corporate group. The scope of the segments is reviewed on a regular basis in order to allow the Board of Directors to determine the allocation of management resources, and evaluate earnings performance.

The JR-West Group's principal business segments are "Transportation," "Sales of Goods and Food Services" and "Real Estate." Classification by category of the businesses that compose JR-West and its Group companies allows for management of business operations by JR-West or the respective Group company.

Accordingly, the JR-West Group comprises segments by business, and has the three reportable segments of "Transportation," "Sales of Goods and Food Services" and "Real Estate." The "Transportation" segment comprises the railway business, ferry business, and passenger vehicle transport operations. The "Sales of Goods and Food Services" segment comprises department store operations, retail goods and food service operations, and wholesale operations for various types of goods. The "Real Estate" segment comprises real estate sales and leasing operations, and shopping center management operations.

(2) Operating Revenues and Earnings (or Loss) by Reportable Segment

Three months ended June 30, 2010

	Millions of yen						
	Transportation	Sales of goods and food services	Real estate	Other businesses	Total	Eliminations and intergroup	Consolidated
Operating revenues and income:							
Operating revenues from third parties	195,374	48,504	18,100	26,781	288,760	—	288,760
Intergroup operating revenues and transfers	4,313	12,432	3,380	28,954	49,080	(49,080)	—
Total sales	199,687	60,937	21,480	55,736	337,841	(49,080)	288,760
Operating income (loss)	25,138	799	6,003	(664)	31,278	160	31,438

Notes: 1. The “Other Businesses” category is a business segment not including in reportable segments. It includes such operations as hotels, travel services, and construction business.

2. The segment earnings adjustment of ¥160 million mainly comprises unrealized gains on fixed assets that straddle segments.

3. Segment earnings (or loss) are adjusted to the operating income figure on the Consolidated Statements of Income.

Additional Information

From the first quarter of the subject fiscal year, JR-West has applied “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009), and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008).

Reference Materials

Non-Consolidated Balance Sheets

	Billions of yen		
	March 31, 2010	June 30, 2010	Change
ASSETS			
Current assets:			
Total current assets	157.5	176.0	18.5
Fixed assets:			
Fixed assets for railway operations	1,734.9	1,724.6	(10.2)
Construction in progress	65.5	69.5	4.0
Investments and other assets	329.0	333.2	4.2
Total fixed assets	2,129.4	2,127.4	(2.0)
Total assets	2,286.9	2,303.4	16.5

	Billions of yen		
	March 31, 2010	June 30, 2010	Change
LIABILITIES AND NET ASSETS			
Current liabilities:			
Current portion of long-term debt	61.2	58.7	(2.5)
Accounts payable	368.0	336.3	(31.6)
Total current liabilities	429.3	395.1	(34.1)
Fixed liabilities:			
Bonds and long-term debt	960.8	1,006.9	46.1
Accrued retirement benefits	303.8	304.2	0.3
Other fixed liabilities	24.8	23.6	(1.1)
Total fixed liabilities	1,289.5	1,334.8	45.3
Total liabilities	1,718.8	1,729.9	11.1
Shareholders' equity:			
Common stock	100.0	100.0	—
Capital surplus	55.0	55.0	—
Retained earnings	442.0	447.9	5.9
Treasury stock, at cost	(29.9)	(29.9)	—
Total shareholders' equity	567.0	572.9	5.9
Valuation and translation adjustments	1.0	0.4	(0.5)
Total net assets	568.1	573.4	5.3
Total liabilities and net assets	2,286.9	2,303.4	16.5

Non-Consolidated Statements of Income

Three months ended June 30

	Billions of yen			%
	2009	2010	Change from the same period of the previous year	
Operating revenues:				
Transportation	173.4	177.8	4.4	2.6
Transportation incidentals	5.0	4.7	(0.2)	(5.5)
Other operations	5.2	5.4	0.1	3.6
Miscellaneous	12.9	12.8	(0.0)	(0.7)
	196.7	200.9	4.2	2.2
Operating expenses:				
Personnel costs	66.9	58.4	(8.5)	(12.8)
Non personnel costs:				
Energy costs	8.2	7.9	(0.2)	
Maintenance costs	23.9	22.3	(1.6)	
Miscellaneous costs	37.6	36.7	(0.9)	
	69.8	67.0	(2.8)	(4.0)
Rental payments	6.4	6.3	(0.0)	(0.9)
Taxes	10.2	10.2	(0.0)	(0.2)
Depreciation and amortization	28.1	29.9	1.8	6.4
	181.7	172.0	(9.6)	(5.3)
Operating income	14.9	28.8	13.9	93.4
Non-operating revenues and expenses, net:				
Non-operating revenues	0.6	1.1	0.5	
Non-operating expenses	8.6	8.4	(0.1)	
	(7.9)	(7.2)	0.7	(9.0)
Recurring profit	6.9	21.6	14.6	210.3
Extraordinary profit and loss, net:				
Extraordinary profit	3.8	5.1	1.3	
Extraordinary loss	3.8	5.5	1.6	
	0.0	(0.3)	(0.3)	
Income before income taxes	7.0	21.3	14.3	203.8
Income taxes	2.9	8.5	5.6	
Net income	4.1	12.7	8.6	209.7

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	
	2009	2010	Amount	%	2009	2010	Amount	%
Sanyo Shinkansen								
Commuter Passes	184	186	2	1.2	2.2	2.2	0.0	0.3
Non-Commuter Passes	3,278	3,476	197	6.0	71.8	75.1	3.3	4.7
Total	3,462	3,662	200	5.8	74.0	77.4	3.3	4.5
Conventional Lines								
Commuter Passes	6,046	6,012	(33)	(0.6)	36.4	36.1	(0.2)	(0.8)
Non-Commuter Passes	3,349	3,415	65	2.0	62.8	64.2	1.3	2.2
Total	9,395	9,427	31	0.3	99.3	100.3	1.0	1.1
Kyoto-Osaka-Kobe Area								
Commuter Passes	4,864	4,830	(33)	(0.7)	29.3	29.0	(0.2)	(1.0)
Non-Commuter Passes	2,294	2,365	71	3.1	41.3	42.6	1.3	3.2
Total	7,158	7,195	37	0.5	70.6	71.7	1.0	1.5
Other Lines								
Commuter Passes	1,181	1,181	0	0.0	7.0	7.0	(0.0)	(0.2)
Non-Commuter Passes	1,055	1,049	(5)	(0.5)	21.5	21.6	0.0	0.3
Total	2,237	2,231	(5)	(0.2)	28.6	28.6	0.0	0.2
Total								
Commuter Passes	6,230	6,198	(31)	(0.5)	38.7	38.4	(0.2)	(0.8)
Non-Commuter Passes	6,627	6,891	263	4.0	134.6	139.4	4.7	3.5
Total	12,858	13,090	232	1.8	173.3	177.8	4.4	2.6

Capital Expenditures

Consolidated Basis

	Three months ended June 30		Change from the same period of the previous period		Plan for year ending March 31, 2011
	2009	2010	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	24.8	31.7	6.9	27.9	
Capital expenditures, excluding contributions received for constructions	21.8	29.4	7.6	35.0	285.0
Contributions received for constructions	2.9	2.2	(0.7)	(24.1)	

Non-Consolidated Basis

	Three months ended June 30		Change from the same period of the previous period		Plan for year ending March 31, 2011
	2009	2010	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	20.7	28.7	8.0	38.8	
Capital expenditures, excluding contributions received for constructions	17.7	26.5	8.7	49.4	215.0
[Safety-related capital expenditures]	[9.4]	[16.3]	[6.9]	[73.4]	[120.0]
Contributions received for constructions	2.9	2.2	(0.7)	(24.1)	

Major Capital Expenditures

Safety and accident-prevention measures, including installation of ATS; introduction of new rolling stock (the 225 Series), Osaka Station Development Project, etc.