

**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 10, 2011 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 2011 (from April 1, 2011 to June 30, 2011)****(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	%
2011	300,283	4.0	23,415	(25.5)	16,803	(29.8)	10,082	(25.9)
2010	288,760	2.2	31,438	100.9	23,930	209.8	13,600	227.7

(Note) Comprehensive Income: Three months ended June 30, 2011: ¥9,864 million, (20.9)%;

Three months ended June 30, 2010: ¥12,473 million, —%

	Net income per share	Net income per share after dilution
	Yen	Yen
2011	52.07	—
2010	70.24	—

**(2) Financial Position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2011	2,623,017	723,575	26.4
March 31, 2011	2,672,423	721,251	25.8

(Reference) Total shareholders' equity: June 30, 2011: ¥691,552 million, March 31, 2011: ¥688,808 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
2011	—	4,000.00	—	4,000.00	8,000.00
2012	—				
2012 (Forecast)		40.00	—	40.00	80.00

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

### 3. Forecasts for Fiscal 2011 Ending March 31, 2012

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	621,000	4.3	45,000	(30.4)	30,000	(39.6)
Fiscal year	1,272,000	4.8	78,000	(18.7)	51,500	(25.3)

	Net income		Net income per share
	Millions of yen	%	Yen
Interim period	17,000	(40.9)	87.79
Fiscal year	30,500	(12.8)	157.51

(Note) Revision of earnings forecast for this period: Yes

- For information on the revision to forecasts see "Notice of Revision to Forecasts" released today (July 27, 2011).

### 4. Other

1. Significant changes in subsidiaries during the subject period: 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

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
- 3) Changes in Accounting Estimates: None
- 4) Restatements: None

Note: For details, see "Matters Regarding Summary Information (Other)" on page 9 of the accompanying material.

4. Number of Shares Outstanding (Common stock)

	Three months ended June 30, 2011	Years ended March 31, 2011
1) Number of shares issued and outstanding (including treasury stock):	200,000,000	200,000,000
2) Number of treasury stock	6,358,400	6,358,400
		Three months ended June 30, 2010
3) Average number of shares outstanding for each period (cumulative term):	193,641,600	193,641,600

The Company conducted a stock split on July 1, 2011, at a ratio of 100 ordinary shares for each ordinary share. Figures for number of shares have been calculated assuming this stock split was conducted at the beginning of the previous fiscal year.

\* 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.

Notes

1. The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements.
2. The Company conducted a stock split on July 1, 2011, at a ratio of 100 ordinary shares for each ordinary share. Figures for net income have been calculated assuming this stock split was conducted at the beginning of the previous fiscal year.

**(Reference) FLASH REPORT (NON-CONSOLIDATED BASIS)**

**Forecasts for Fiscal 2011 Ending March 31, 2012**

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

	Operating revenues		Operating income		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	417,000	0.6	45,000	(21.1)	30,000	(28.2)
Fiscal year	835,500	0.8	63,500	(16.3)	36,500	(24.8)

	Net income		Net income per share
	Millions of yen	%	Yen
Interim period	17,000	(31.0)	87.75
Fiscal year	21,500	(24.6)	110.98

(Note) Revision of earnings forecast for this period: Yes

## 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 October 2010, JR-West formulated and announced the “Revision of the JR-West Group’s Medium-Term Management Plan 2008-2012” in response to the unprecedented harsh situation the Company faced, and the rapid deterioration in the business climate since fall 2008. The revisions shift the focus of management more toward long-term sustainability, while clarifying the direction of medium to long-term management, along with specific measures. We have been steadily implementing these measures.

The Great East Japan Earthquake that occurred in March 2011 had a considerable impact not only on regions directly affected by the disaster, but all of Japan. The JR-West Group’s entire business operations were also affected, including railway operations. While making efforts to aid in disaster relief and rehabilitation, JR-West was forced to reduce the frequency of train operations, or to shorten train configurations due to shortages of certain parts necessary for train maintenance. However, we took steps to ensure as little inconvenience as possible to the users of our service. We are also reaffirming the current state of our risk management, and implementing a broad range of measures to ensure safety in the event of massive earthquake and tsunami. JR-West recognizes that power shortages are a problem for all of Japan, and is cooperating to the fullest extent possible to conserve electricity. We will implement measures with consideration to the safety and convenience of users, and have launched certain initiatives.

During the subject first quarter period (April 1, 2011 to June 30, 2011), JR-West conducted memorial services 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. We also conducted measures to help foster a safe and secure society through the JR West Anshin Foundation, a public-interest association established in the wake of the Fukuchiyama Line accident.

Further, in accordance with the Corporate Philosophy and Safety Charter adopted in March 2006, and in order to establish “a corporate culture that places top priority on safety,” make further improvements in safety, regain customer trust, and realize the goal of the Basic Safety Plan to “Build a corporate system to ensure no accidents to produce casualties among our customers and no serious labor accidents to our employees,” JR-West implemented measures to establish a safety management system based on risk assessment.

For its reform efforts, in the recognition that operational reform is the necessary counterpart to improving safety, JR-West built on efforts toward “reform” and “revitalization” implemented up to now

to help establish the principle of “Thinking and Acting based on the field,” in which each employee takes a leading role at his or her workplace.

JR-West convened regular meetings of the Corporate Ethics Committee that acts as a consultative body for the Board of Directors. We also implemented measures aimed at firmly establishing corporate ethics, including corporate ethics training for directors, and employee training utilizing case studies that call for difficult decisions in everyday operations.

The business climate for JR-West is becoming more challenging as a result of the considerable impact from the Great East Japan Earthquake and other factors. 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 our businesses, including other Group operations, and effectively utilizing their assets. We also have been developing various marketing strategies to stimulate travel demand.

In addition, JR-West formulated and implemented priority strategies for the corporate group, including maximizing the benefit from its two major projects, the commencement of full service on the Kyushu Shinkansen and start of direct service operations, and the opening of Osaka Station City. We also took steps to secure earnings and strengthen our management structures.

As a result, on a consolidated basis, operating revenues for the subject first quarter period (April 1, 2011 to June 30, 2011) rose 4.0% from the previous fiscal year to ¥300.2 billion. Operating income, however, declined 25.5% from a year earlier to ¥23.4 billion, with recurring profit down 29.8% to ¥16.8 billion, and net income 25.9% to ¥10.0 billion.

## **(1) Qualitative Information on Consolidated Business Results**

### Consolidated Results for the First Quarter of Fiscal 2011 (April – June 2011)

Operating revenues:	¥300.2 billion
Operating income:	¥23.4 billion
Recurring profit:	¥16.8 billion
Net income:	¥10.0 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 casualties 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, JR-West enhanced the maintenance of ATS and the safety of crossing systems, and took other measures that included strengthening pillars supporting elevated tracks against earthquakes. For safety measures in response to earthquakes and tsunami, we are pursuing initiatives that consider a wide range of perspectives. In addition, 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 took steps to enhance the convenience of travel to Kyushu following the full opening of the Kyushu Shinkansen. Use of the Sanyo Shinkansen and JR-West's urban network increased as a result of the opening of Osaka Station City and other measures.

In marketing initiatives, following the full opening of the Kyushu Shinkansen in March 2011 and the commencement of direct service operations between the Sanyo and Kyushu Shinkansen services, JR-West worked to promote use of the railway through an ongoing proactive information campaign stressing the convenience and price advantages of the internet reservation service "e5489." Further, for the "Kyushu Shinkansen de Ikou! Campaign" conducted in cooperation with local governments, JR Kyushu and travel agents, JR-West developed travel packages and held tourism events in conjunction with local governments to help expand mutual exchanges between West Japan and Kyushu.

For customer service initiatives, JR-West expanded efforts including the use of video on station and in-car displays to provide guidance to help passengers use the railway in safety and comfort. In addition, in April we expanded service hours for "women only" cars to all day.

For the renovation of Osaka Station, in April we completed the structure over the tracks used in changing trains, and opened the new ticket gate to the access bridge.

In environmental issues, JR-West implemented the "Think and Act Eco" initiative to encourage all employees 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 flexible pricing schemes designed around usage trends, and enhancing the functionality of the Osaka Station Bus Terminal.

In ferry services (the Miyajima Line), JR-West marketed the service to travel companies and took other steps to secure revenue.

As a result, operating revenues for the Transportation Operations segment increased 1.5% from the same period of the previous fiscal year, to ¥198.2 billion. Operating income, however, declined 13.7%, to ¥21.6 billion, due mainly to increases in non-personnel costs and depreciation expenses.

## **b. Sales of Goods and Food Services**

The JR Osaka Mitsukoshi Isetan department store in the new North Gate Building opened in May, drawing many customers. We also continued efforts to make stations more attractive, including opening new retail outlets and restaurants such as Daily-In and Deli Cafe Express as part of the renovation of Osaka Station.

As a result, operating revenues for the Sales of Goods and Food Services segment increased 13.4% from the same period of the previous fiscal year, to ¥54.9 billion. However, the segment posted an operating loss for the period of ¥1.7 billion, due mainly to an increase in non-personnel costs related to the opening of JR Osaka Mitsukoshi Isetan department store.

## **c. Real Estate Business**

JR-West moved forward with the development of stations and surrounding areas, including opening the VIERA Okubo commercial facility on the south side of Okubo Station, and the ALBi commercial facility underneath the elevated tracks on the west side of Osaka Station.

For the Osaka Station Development Project, in May 2011 we held the grand opening of Osaka Station City. In the North Gate Building, we opened of the LUCUA specialty shop zone, which has continued to attract many customers, and began leasing the office building portion. We also worked in cooperation with local businesses around Osaka Station to promote activities in the area, and developed condominiums on former sites of company housing.

As a result, operating revenues for the Real Estate Business segment increased 8.6% from the same period of the previous fiscal year, to ¥19.6 billion. Operating income, however, declined 29.6% to ¥4.2 billion, mainly as a result of increases in non-personnel costs and taxes stemming from the grand opening of Osaka Station City.

## **d. Other Businesses**

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

In travel agency operations, JR-West strengthened inbound marketing and expanded internet sales, and took steps to increase sales of products that utilize railways, such as the Sanyo and Kyushu Shinkansen services.

For the J-West Card, we worked to encourage applications for the Osaka Station City J-WEST Card, and took other steps to expand the number of cardholders. For the ICOCA e-money service, we began offering compatibility with payments for services for a major home delivery company, and worked to provide more opportunities to use the service around town, such as for tickets to events and tourist attractions.

As a result, operating revenues for the Other Businesses segment increased 2.4% from the same period of the previous fiscal year, to ¥27.4 billion. However, the segment posted an operating loss for the period of ¥0.4 billion, mainly as a result of increases in non-personnel costs and taxes stemming from the grand opening of Osaka Station City.

## (2) Qualitative Information on the Consolidated Financial Position

JR-West's total assets at the end of the first quarter of the subject fiscal year (June 30, 2011) amounted to ¥2,623.0 billion, a decrease of ¥49.4 billion from the end of the previous fiscal year (March 31, 2011). This was due mainly to a decrease in cash.

Total liabilities amounted to ¥1,899.4 billion, a decrease of ¥51.7 billion from the end of the previous fiscal year. This was due mainly to a decrease in accounts payable.

Total net assets amounted to ¥723.5 billion, an increase of ¥2.3 billion from the end of the previous fiscal year. This was due mainly to an increase in retained earnings.

## (3) Qualitative Information on Consolidated Forecasts

The business environment for the JR-West Group is expected to remain difficult in the aftermath of the Great East Japan Earthquake that occurred in March 2011. However, because revenue from railway operations, centered on the Shinkansen, has continued to exceed initial forecasts, we are revising upward our interim and full-year forecasts for operating revenues, operating income, recurring profit and net income for the fiscal year ending March 2012, from those announced on April 27, 2011.

Going forward, considering the current status of the power supply and uncertainty regarding the economic outlook, the economic climate will likely continue to offer little cause for optimism. Nonetheless, JR-West will work to derive the maximize the benefit from its two major projects, direct service operations with the Sanyo Shinkansen that began in March following the commencement of full service on the Kyushu Shinkansen, and the Osaka Station City opened in May.

We will also steadily implement the strategies outlined in the "Revision of the JR-West Group's Medium-Term Management Plan 2008-2012" announced in October 2010, establish higher standards of safety in pursuit of greater peace of mind, and devote our full effort to realizing sustainable growth.

### Consolidated forecasts for the Six months Ending September 30, 2011

Operating revenues:	¥621.0 billion	(up 4.3% YoY)
Operating income:	¥45.0 billion	(down 30.4% YoY)
Recurring profit:	¥30.0 billion	(down 39.6% YoY)
Net income:	¥17.0 billion	(down 40.9% YoY)

### Consolidated forecasts for the Year Ending March 31, 2012

Operating revenues:	¥1,272.0 billion	(up 4.8% YoY)
Operating income:	¥78.0 billion	(down 18.7% YoY)
Recurring profit:	¥51.5 billion	(down 25.3% YoY)
Net income:	¥30.5 billion	(down 12.8% YoY)

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



## **2. MATTERS REGARDING SUMMARY INFORMATION (OTHER)**

### **(1) Changes in Accounting Policies, Changes in Accounting Estimates, Restatements**

(Application of Accounting Standards for Per-Share Net Income)

From the first quarter of the subject fiscal year, the Company has applied “Accounting Standard for Earnings Per Share” (ASBJ Statement No.2, June 30, 2010); “Guidance on Accounting Standard for Earnings Per Share” (ASBJ Guidance No.4, June 30, 2010); and “Practical Solution on Accounting for Earnings Per Share” (ASBJ PITF No.9, June 30, 2010).

In accordance with a resolution adopted at a meeting of the Board of Directors on May 18, 2011, the Company conducted a stock split and adopted a unit-of-share system on July 1, 2011. Per-share information for the first quarter period of the previous fiscal year assuming this was conducted at the beginning of the previous fiscal year, and per-share information for the first quarter period of the subject fiscal year assuming this was conducted at the beginning of the subject fiscal year, is presented in “Major Events after the Reporting Period.”

#### **(Additional Information)**

For accounting changes and error corrections to be conducted from the beginning of the first quarter of the subject fiscal year, the Company has applied “Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24, December 4, 2009) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No.24, December 4, 2009).

### 3. CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Consolidated Balance Sheets

	Millions of yen	
	March 31, 2011	June 30, 2011
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	79,742	38,074
Notes and accounts receivable-trade	16,734	15,413
Railway fares receivable	26,689	19,220
Accounts receivable	47,064	27,690
Inventories	28,043	38,398
Deferred income taxes	18,961	11,567
Other current assets	46,070	50,626
Less allowance for doubtful accounts	(872)	(1,400)
Total current assets	262,432	199,591
<b>Fixed assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures	1,001,337	1,102,046
Machinery and transport equipment	323,914	326,565
Land	655,872	656,008
Construction in progress	139,615	46,693
Other property, plant and equipment	29,877	33,593
Total property, plant and equipment	2,150,617	2,164,906
<b>Intangible fixed assets</b>	25,798	24,812
<b>Investments and other assets:</b>		
Investments in securities	60,407	59,311
Deferred tax assets	142,069	143,314
Other investments and assets	32,213	31,844
Less allowance for doubtful accounts	(1,126)	(1,102)
Total investments and other assets	233,564	233,368
Total fixed assets	2,409,979	2,423,088
<b>Deferred income taxes</b>	11	337
<b>Total assets</b>	<b>2,672,423</b>	<b>2,623,017</b>

	Millions of yen	
	March 31, 2011	June 30, 2011
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	51,207	35,952
Short-term loans	17,515	38,477
Current portion of long-term debt	44,764	44,763
Current portion of long-term payables for acquisition of railway properties	39,101	39,085
Current portion of long-term accounts payable	31	31
Accounts payable	134,824	51,834
Accrued consumption tax	3,324	5,649
Accrued income tax	15,450	1,886
Prepaid railway fares received	31,183	34,839
Advances received	24,790	37,444
Allowance for bonuses	34,173	17,044
Allowance for point program	660	815
Other current liabilities	90,807	131,613
Total current liabilities	487,837	439,439
<b>Fixed liabilities:</b>		
Bonds	444,970	444,970
Long-term debt	283,155	280,684
Long-term payables for acquisition of railway properties	290,408	290,424
Long-term accounts payable	190	182
Deferred tax liabilities	241	224
Accrued retirement benefits	322,737	322,527
Allowance for environmental safety measures	7,033	6,771
Provision for unredeemed gift certificates	2,670	2,542
Other long-term liabilities	111,925	111,674
Total fixed liabilities	1,463,334	1,460,002
<b>Total liabilities</b>	1,951,172	1,899,441

(continued on page 12)

	Millions of yen	
	March 31, 2011	June 30, 2011
<b>NET ASSETS</b>		
<b>Total shareholders' equity:</b>		
Common stock	100,000	100,000
Capital surplus	55,000	55,000
Retained earnings	563,766	566,342
Treasury stock, at cost	(30,343)	(30,343)
Total shareholders' equity	688,423	690,999
<b>Valuation and translation adjustments:</b>		
Net unrealized holding gain on securities	546	424
Deferred gains or losses on hedges	(161)	128
Total Valuation and translation adjustments	384	553
<b>Minority interests</b>	32,443	32,022
<b>Total net assets</b>	721,251	723,575
<b>Total liabilities and net assets</b>	2,672,423	2,623,017

## 2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### Consolidated Statements of Income

Three months ended June 30

	Millions of yen	
	2010	2011
<b>Operating revenues</b>	288,760	300,283
<b>Operating expenses:</b>		
Transportation, other services and cost of sales	217,001	232,940
Selling, general and administrative expenses	40,320	43,928
Total operating expenses	257,322	276,868
<b>Operating income</b>	31,438	23,415
<b>Non-operating revenues:</b>		
Interest income	29	34
Dividend income	82	136
Transfer from administrative fee of contracted construction	15	23
Equity in earnings of affiliates	479	430
Co-sponsor fee	—	638
Other	776	775
Total non-operating revenues	1,383	2,040
<b>Non-operating expenses:</b>		
Interest expense	8,324	8,259
Other	567	392
Total non-operating expenses	8,891	8,652
<b>Recurring profit</b>	23,930	16,803
<b>Extraordinary profits:</b>		
Gain on contributions received for construction	4,902	5,188
Other	822	2,745
Total extraordinary profits	5,724	7,933
<b>Extraordinary losses:</b>		
Loss on deduction of contributions received for construction from acquisition costs of property, plant and equipment	4,812	5,042
Other	991	2,788
Total extraordinary losses	5,803	7,830
<b>Income before income taxes</b>	23,851	16,905
<b>Income taxes- Current</b>	3,694	1,312
<b>Income taxes- Deferred</b>	6,996	5,966
<b>Total income taxes</b>	10,691	7,279
<b>Income before minority interests</b>	13,160	9,626
<b>Minority interests in loss</b>	(440)	(456)
<b>Net income</b>	13,600	10,082

## Consolidated of Comprehensive Income

Three months ended June 30

	Millions of yen	
	2010	2011
Income before minority interests	13,160	9,626
Other comprehensive income		
Valuation difference on available-for-sale securities	(554)	(124)
Deferred gains or losses on hedges	(92)	363
Share of other comprehensive income of associates accounted for using equity method	(39)	(1)
Total of other comprehensive income	(687)	237
Comprehensive income	12,473	9,864
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	12,925	10,251
Comprehensive income attributable to minority interests	(452)	(386)

### 3. Major Events after the Reporting Period

#### (Stock Split and Adoption of a Unit-of-Share System)

The Company, in accordance with a resolution adopted at a meeting of the Board of Directors on May 18, 2011, conducted a stock split and adopted a unit-of-share system on July 1, 2011.

1. Objective of the Stock Split and Adoption of a Unit-of-Share System

The stock split and adoption of a unit-of-share system was conducted to enhance convenience and liquidity for the stock exchanges on which the Company's shares are listed, on the basis of the "Action Program for Consolidation of Trading Units" released by the Japanese Stock Exchanges Conference in November 2007.

2. Ratio of the Stock Split

Each share of common stock was split into 100 shares.

3. Adoption of Unit-of-Share System

The number of share per unit was 100 shares.

4. Timing of the Stock Split and Adoption of Unit-of-Share System

The effective date is July 1, 2011.

Per-share information for the first quarter period of the previous fiscal year assuming the stock split was conducted at the beginning of the previous fiscal year, and per-share information for the first quarter period of the subject fiscal year assuming the stock split was conducted at the beginning of the subject fiscal year, are as follows.

Three months ended June 30

2010		2011	
Net income per share	¥70.24	Net income per share	¥52.07
Net income per share after dilution	—	Net income per share after dilution	—

## Reference Materials

### 1. NON-CONSOLIDATED BALANCE SHEETS

	March 31, 2011	<b>June 30, 2011</b>	Change
	Billions of yen	Billions of yen	Billions of yen
<b>ASSETS</b>			
<b>Current assets:</b>			
Total current assets	206.2	131.4	(74.8)
<b>Fixed assets:</b>			
Fixed assets for railway operations	1,778.1	1,802.6	24.4
Construction in progress	74.9	44.5	(30.3)
Investments and other assets	346.3	377.9	31.5
Total fixed assets	2,199.4	2,225.0	25.6
<b>Total assets</b>	2,405.7	2,356.5	(49.2)

	March 31, 2011	<b>June 30, 2011</b>	Change
	Billions of yen	Billions of yen	Billions of yen
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Current portion of long-term debt	81.7	81.7	(0.0)
Accounts payable	412.6	364.6	(48.0)
Total current liabilities	494.4	446.3	(48.0)
<b>Fixed liabilities:</b>			
Bonds and long-term debt	1,006.2	1,004.0	(2.1)
Accrued retirement benefits	302.0	302.0	0.0
Other long-term liabilities	21.6	20.1	(1.5)
Total fixed liabilities	1,329.9	1,326.2	(3.6)
<b>Total liabilities</b>	1,824.3	1,772.5	(51.7)
<b>Total shareholders' equity:</b>			
Common stock	100.0	100.0	—
Capital surplus	55.0	55.0	—
Retained earnings	456.0	458.6	2.6
Treasury stock, at cost	(29.9)	(29.9)	—
Total shareholders' equity	581.0	583.6	2.6
<b>Valuation and translation adjustments</b>	0.3	0.2	(0.1)
<b>Total net assets</b>	581.3	583.9	2.5
<b>Total liabilities and net assets</b>	2,405.7	2,356.5	(49.2)



## 2. NON-CONSOLIDATED STATEMENTS OF INCOME

Three months ended June 30

	2010	2011	Change from the same period of the previous year	
	Billions of yen	Billions of yen	Billions of yen	%
<b>Operating revenues:</b>				
Transportation	177.8	180.1	2.3	1.3
Transportation incidentals	4.7	4.7	(0.0)	(1.5)
Other operations	5.4	5.7	0.3	5.7
Miscellaneous	12.8	13.5	0.6	5.1
	200.9	204.1	3.2	1.6
<b>Operating expenses:</b>				
Personnel costs	58.4	59.2	0.8	1.4
Non personnel costs:				
Energy costs	7.9	8.3	0.4	
Maintenance costs	22.3	23.4	1.1	
Miscellaneous costs	36.7	39.5	2.7	
	67.0	71.3	4.2	6.4
Rental payments, etc	6.3	6.3	(0.0)	(0.3)
Taxes	10.2	8.7	(1.5)	(15.1)
Depreciation	29.9	33.2	3.2	10.8
	172.0	178.8	6.7	3.9
<b>Operating income</b>	28.8	25.3	(3.5)	(12.2)
<b>Non-operating revenues and expenses, net:</b>				
Non-operating revenues	1.1	0.8	(0.2)	
Non-operating expenses	8.4	8.2	(0.2)	
	(7.2)	(7.3)	(0.0)	1.3
<b>Recurring profit</b>	21.6	18.0	(3.6)	(16.7)
<b>Extraordinary profit and loss, net:</b>				
Extraordinary profit	5.1	5.8	0.6	
Extraordinary loss	5.5	6.3	0.8	
	(0.3)	(0.5)	(0.2)	
<b>Income before income taxes</b>	21.3	17.5	(3.8)	(18.0)
<b>Income taxes</b>	8.5	7.0	(1.4)	
<b>Net income</b>	12.7	10.4	(2.3)	(18.3)

## 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	
	2010	2011	Amount	%	2010	2011	Amount	%
<b>Sanyo Shinkansen</b>								
Commuter Passes	186	186	0	0.1	2.2	2.2	(0.0)	(0.1)
Non-Commuter Passes	3,476	3,669	193	5.6	75.1	79.0	3.8	5.1
Total	3,662	3,856	193	5.3	77.4	81.2	3.8	5.0
<b>Conventional Lines</b>								
Commuter Passes	6,012	6,014	1	0.0	36.1	36.0	(0.0)	(0.2)
Non-Commuter Passes	3,415	3,301	(113)	(3.3)	64.2	62.8	(1.4)	(2.3)
Total	9,427	9,315	(111)	(1.2)	100.3	98.8	(1.5)	(1.5)
<b>Kyoto-Osaka-Kobe Area</b>								
Commuter Passes	4,830	4,838	7	0.2	29.0	29.0	(0.0)	(0.1)
Non-Commuter Passes	2,365	2,299	(65)	(2.8)	42.6	41.9	(0.6)	(1.5)
Total	7,195	7,137	(58)	(0.8)	71.7	71.0	(0.6)	(0.9)
<b>Other Lines</b>								
Commuter Passes	1,181	1,176	(5)	(0.5)	7.0	6.9	(0.0)	(0.7)
Non-Commuter Passes	1,049	1,001	(48)	(4.6)	21.6	20.8	(0.8)	(3.8)
Total	2,231	2,178	(53)	(2.4)	28.6	27.8	(0.8)	(3.0)
<b>Total</b>								
Commuter Passes	6,198	6,200	2	0.0	38.4	38.3	(0.0)	(0.2)
Non-Commuter Passes	6,891	6,971	79	1.2	139.4	141.8	2.4	1.7
Total	13,090	13,171	81	0.6	177.8	180.1	2.3	1.3

### 3. CAPITAL EXPENDITURES

#### Consolidated Basis

	Three months ended June 30		Change from the same period of the previous period		Plan for year ending March 31, 2012
	2010	2011	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	31.7	57.9	26.1	82.5	
Capital expenditures, excluding contributions received for constructions	29.4	56.8	27.3	92.6	205.0
Contributions received for constructions	2.2	1.1	(1.1)	(49.5)	

#### Non-Consolidated Basis

	Three months ended June 30		Change from the same period of the previous period		Plan for year ending March 31, 2012
	2010	2011	Billions of yen	%	
	Billions of yen	Billions of yen			
Capital expenditures	28.7	32.8	4.0	14.2	
Capital expenditures, excluding contributions received for constructions	26.5	31.7	5.1	19.6	155.0
[Safety-related capital expenditures]	[16.3]	[17.8]	[1.5]	[9.6]	[96.0]
Contributions received for constructions	2.2	1.1	(1.1)	(49.5)	

#### Major Capital Expenditures

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

#### 4. FORECASTS FOR FISCAL 2011, ENDING MARCH 31, 2012

##### Consolidated Statements of Income

	Year ended March 31, 2011	Forecasts for year ending March 31, 2012				
		Full year		Change from the same period of the previous year		Interim period
	Billions of yen	Billions of yen		Billions of yen	%	Billions of yen
Operating revenues:	<1.46>	<1.52>				
Transportation	806.4	813.4	6.9	0.9		
Sales of goods and food services	201.3	250.3	48.9	24.3		
Real estate	75.7	91.3	15.5	20.5		
Other businesses	129.9	117.0	(12.9)	(10.0)		
	1,213.5	[1,260.0]	1,272.0	58.4	4.8	[605.0] 621.0
Operating expenses	1,117.5	[1,191.5]	1,194.0	76.4	6.8	[574.0] 576.0
Operating income:						
Transportation	61.1	49.3	(11.8)	(19.4)		
Sales of goods and food services	3.5	(0.5)	(4.0)			
Real estate	22.2	24.0	1.7	7.9		
Other businesses	9.6	5.8	(3.8)	(40.1)		
Elimination and corporation	(0.6)	(0.6)				
	95.9	[68.5]	78.0	(17.9)	(18.7)	[31.0] 45.0
Recurring profit	68.9	[42.0]	51.5	(17.4)	(25.3)	[16.0] 30.0
	<1.23>	<1.42>				
Net income	34.9	[25.0]	30.5	(4.4)	(12.8)	[9.0] 17.0

- Note: 1. Figures in bracket [ ] were announced previously on April 27, 2011.  
2. Figures in bracket < > are the consolidated-to-parent ratio.  
3. Revenues by each segment are from third parties.

##### Non-Consolidated Statements of Income

	Year ended March 31, 2011	Forecasts for year ending March 31, 2012				
		Full year		Change from the same period of the previous year		Interim period
	Billions of yen	Billions of yen		Billions of yen	%	Billions of yen
Operating revenues	828.6	[823.5]	835.5	6.8	0.8	[401.0] 417.0
Transportation	728.0	[723.0]	735.0	6.9	1.0	[352.0] 368.0
Operating expenses	752.8	[769.5]	772.0	19.1	2.5	[370.0] 372.0
Operating income	75.8	[54.0]	63.5	(12.3)	(16.3)	[31.0] 45.0
Recurring profit	48.5	[27.0]	36.5	(12.0)	(24.8)	[16.0] 30.0
Net income	28.5	[16.0]	21.5	(7.0)	(24.6)	[9.0] 17.0

Note: Figures in bracket [ ] were announced previously on April 27, 2011.