

Performance in the fiscal year ended March 2009
and Future Initiatives

May 1, 2009
West Japan Railway Company



1. FY2009/3 Result and Forecast for FY2010/3

(Unit: billion yen)

FY2009/3 Result	
Operating Revenues:	1,275.3 [-14.8, -1.2%]
Operating Income:	122.5 [-14.8, -10.8%]
Recurring Profit:	94.8 [-14.0, -12.9%]
Net Income:	54.5 [-3.1, -5.5%]
ROA (Return on Assets):	5.0% [-0.6 points]
ROE (Return on Equity):	8.4% [-0.9 points]
EBITDA:	259.5 [-5.9]
Capital expenditures (excluding a portion contributed by local governments etc.):	163.9 [-24.0]
Depreciation and amortization:	137.0 [+8.9]
Balance of long-term debt and payables:	953.2 [-3.9]
Dividends per share:	7,000 yen

Figures in brackets [] contain amount or % changes against FY2008/3

(Unit: billion yen)

FY2010/3 Forecast	
Operating Revenues:	1,243.0 [-32.3, -2.5%]
Operating Income:	80.0 [-42.5, -34.7%]
Recurring Profit:	51.0 [-43.8, -46.2%]
Net Income:	29.0 [-25.5, -46.8%]
ROA (Return on Assets):	3.2%
ROE (Return on Equity):	4.4%
EBITDA:	222.5 [-37.0]
Capital expenditures (excluding a portion contributed by local governments etc.):	230.0 [+66.0]
Depreciation and amortization:	142.5 [+5.4]
Balance of long-term debt and payables:	1,020.0 [+66.7]
Dividends per share:	7,000 yen

Figures in brackets [] contain amount or % changes against FY2009/3

2. Basic Policy for FY2010/3

Tri-part Management

- (1) Sincere support to victims of the Fukuchiyama Line accident
- (2) Measures to enhance safety
- (3) Furthering of reform



The company will make every effort to promote the JR-West Group's Medium-Term Management Plan 2008-2012 and the Basic Safety Plan, formulated in the spring of 2008



We are facing an extremely challenging phase, with increased competition against other transportation modes, such as airplanes and expressways, in addition to the rapid and serious decline in economic conditions



- We will make steady progress with medium-term measures, such as further improvements to safety, operation of direct services between the Sanyo and the Kyushu Shinkansen scheduled for the spring of 2011 and completion of the Osaka Station development project
- At the same time, we will speedily implement a variety of efforts and improvements to both revenues and costs, and strengthen management practice

3. Major Factors in Increase/Decrease in Transportation Revenues

(Unit: billion yen)

	FY2009/3 Result			FY2010/3 Forecast
	YOY % increase/ (decrease)	Major Factors		YOY % increase/ (decrease)
Shinkansen	(4.3)	Effects of timetable revisions (in July 2007 and March 2008)	1.6	(10.5)
		Rebound from typhoon in the previous year	0.2	
		Effects of inconvenient holidays (Golden Week in May and three-day holidays)	(0.8)	
		Rebound from leap year in previous year	(0.8)	
		Fundamentals (98.3%)	(5.7)	
Kyoto-Osaka-Kobe	(1.8)	Opening of Osaka Higashi Line and new stations	1.8	(6.5)
		Rebound from typhoon and earthquake in the previous year	0.3	
		National Confectionary Exposition in Himeji	0.2	
		Rebound from leap year in previous year	(0.5)	
		Fundamentals (99.0%)	(3.0)	
Other conventional lines	(1.8)	Rebound from typhoon and earthquake in the previous year	0.6	(5.2)
		Introduction of automatic passenger gates in Okayama and Hiroshima areas	0.5	
		Effects of inconvenient holidays (Golden Week in May and three-day holidays)	(0.2)	
		Rebound from leap year in previous year	(0.3)	
		Fundamentals (98.1%)	(2.5)	
Marine and freight	0.0			(0.4)
Total	(8.0)			(22.7)

4. Measures to Increase Demand: Strengthening the Competitiveness of the Shinkansen

Timetable Revisions

March 2009 Revisions

- Operation of N700 Series Nozomi between Tokyo and Hiroshima
 - ⇒ 2 out of 3 of the existing hourly Nozomi services between Tokyo and Hiroshima were replaced by N700 Series rolling stock (i.e., increase from 39 to 71 N700 direct Nozomi services compared to previous timetable revision)
- Increase of 1.5 return Nozomi services between Tokyo and Hakata and 1 return Nozomi service between Tokyo and Hiroshima during busy morning and evening periods
 - ⇒ Easing congestion and improving convenience

Spring 2010 Revisions (planned)

- Increase in N700 Series Nozomi departures
 - ⇒ Plans are underway to upgrade all Tokaido and Sanyo direct Nozomi services to the N700 Series

(Reference) Introduction Plan for N700 Series

Year	FY2008/3	FY2009/3	FY2010/3	FY2011/3	Total
Number of train-sets	8	1	5	2	16

Spring 2011 Revisions (planned)

- Launch operation of direct services between the Sanyo and the Kyushu Shinkansen
 - ⇒ Plans are underway for at least one direct service per hour to be operated between Shin-Osaka and Kagoshima Chuo

“Express Reservations” service

EX-IC ticketless Service

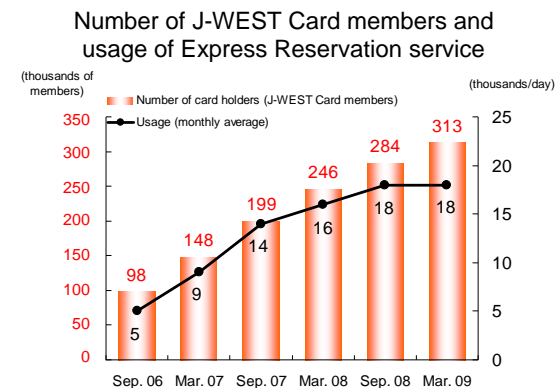
- Launch services on Sanyo-Shinkansen from summer of 2009
- Seamless use of service to become possible between the Tokaido and the Sanyo Shinkansen lines and conventional lines in the Tokyo, Tokai, Kinki and Okayama-Hiroshima city areas as a result of parallel usage with IC cards on conventional lines, such as ICOCA

Express Reservations Corporate Service

- Preparations are underway for the launch of services targeting corporate customers of the Sanyo Shinkansen in the summer of 2009

Obtaining the Loyalty of Frequent Users

- We are looking into providing benefits for frequent users of Express Reservations



5. Measures to Increase Demand: New Products

The main new products launched from the spring of 2009 are as follows.

Name	Main Characteristics
Kodama Reserved Seat Return Ticket	<p><u>Return reserved seat journeys for Kodama services</u></p> <ul style="list-style-type: none"> • Applicable period: up to and including June 30 (including Golden Week holidays) • Sales price: standard return ticket price + approximately 1,000 yen for adults and a fixed price of 3,000 yen for children for journeys between 150 km and 300 km (Examples) Osaka City to Okayama: 6,880 yen (41% discount on standard fare) Osaka City to Hiroshima City: 11,920 yen (40% discount on standard fare) • Sales conditions: two or more tickets purchased together up to and including the day before travel day (Tickets not sold on the day of travel); limited ticket numbers • Additional benefits: car rental discount (S-class car: 2,000 yen for 24 hours)
West Japan Pass	<p><u>Unlimited travel on JR West, JR Shikoku and JR Kyushu (Journeys between Hakata and Nagasaki/Sasebo, and journeys between Hakata, Yufuin, Beppu and Kokura)</u></p> <ul style="list-style-type: none"> • Applicable period: consecutive two-day or three-day periods on Friday, Saturday, Sunday and Monday between May 8 and June 29 • Sales price: Ordinary car reserved seats – 12,000 yen (two days), 16,000 yen (three days) Green car seats – 16,000 yen (two days), 20,000 yen (three days) • Sales conditions: two or more tickets purchased together at least seven days before first day of travel • Additional benefits: car rental discount (S-class car: 2,000 yen for 24 hours)
Nara Manyo Ticket	<p><u>JR return ticket from within Hyogo Prefecture to Nara/Sakurai area + unlimited travel within excursion zone in Nara/Sakurai area</u></p> <ul style="list-style-type: none"> • Applicable period: Up to and including June 30 • Sales price: e.g., Sannomiya to Nara – 1,280 yen (47% discount on standard fare) • Sales conditions: purchased up to and including the day before travel day (tickets not sold on day of travel) • Additional benefits: reduced entry fees to the major temples and shrines within Nara Prefecture <p>* In addition to the above, we are currently holding a campaign to provide up to 40 times the normal “J WEST points” for Smart ICOCA users</p>

Creating the opportunity for “cheap, short-haul and short-term” journeys + reinvigorating the regional economy
 ⇒ Promote use of the railways by appealing its punctuality, speed, comfort and environmental advantages

6. Major Factors in Changes in Operating Costs (Non-consolidated)

(Unit: billion yen)

Item	FY2009/3 Result		FY2010/3 Forecast	
	YOY % increase/ (decrease)	Major Factors	YOY % increase/ (decrease)	Major Factors
Personnel costs	(1.3)	<ul style="list-style-type: none"> · Increase in employee numbers 0.3 (retirees: approximately 1,160; new recruits: approximately 1,350) · Decrease in bonuses (bonuses paid in FY2009) (1.0) 	0.8	<ul style="list-style-type: none"> · Increase in employee numbers 1.4 · Decrease in bonuses (1.0)
Energy costs	3.8	<ul style="list-style-type: none"> · Rising electricity charges and diesel oil prices 	(3.2)	<ul style="list-style-type: none"> · Falling electricity charges and diesel oil prices
Maintenance costs	(12.7)	<ul style="list-style-type: none"> · Decrease in project costs (11.0) · Decrease in removal and retirement costs for Osaka Station improvement (2.5) 	3.1	<ul style="list-style-type: none"> · Increase in removal costs related to capital expenditures 3.8
Miscellaneous costs	4.0	<ul style="list-style-type: none"> · Increase in payments for other JR companies resulting from timetable revisions 2.7 · Increase in electricity charges and diesel oil prices 0.8 · Increase in outsourcing expenses, such as cleaning of stations and trains 0.4 · Increase in system related costs 0.1 	6.6	<ul style="list-style-type: none"> · Increase in system related costs 2.9 · Increase in payments for other JR companies resulting from timetable revisions 0.9
Taxes	0.4	<ul style="list-style-type: none"> · Increase in property taxes 	1.3	<ul style="list-style-type: none"> · Increase in property taxes
Rental payments	0.6	<ul style="list-style-type: none"> · Opening of Osaka Higashi Line 	0.1	
Depreciation and amortization	8.3	<ul style="list-style-type: none"> · Revision of accounting system 0.6, and increase in capital expenditure 	5.0	<ul style="list-style-type: none"> · Increase in capital expenditure
Total	3.2		14.0	

7. Non-Transportation Business - 1

Sales of Goods and Food Services

Unit: billion yen (operating revenues are the sums of the revenues of major subsidiaries from third parties)

	FY2008/3 result	FY2009/3 result	YOY % increase/ (decrease)	Major factors	FY2010/3 forecast	YOY % increase/ (decrease)	Major factors
Operating revenues	212.8	215.3	2.5	Sale of goods and food services 3.2 Increase in convenience store sales (including impact of TASPO) Department stores (0.5) Decrease in clothing sales Increase due to opening of SUVACO (in February 2008)	211.2	(4.1)	Sale of goods and food services (2.5) Opening of Viann Tokyo Oimachi (in July 2009) Decrease due to construction work at Shin-Osaka Station and Hakata Station Department stores (2.9)
Operating income	5.2	4.7	(0.4)	Department stores (0.4)	2.4	(2.3)	

Real Estate Business

Unit: billion yen (operating revenues are the sums of the revenues of major subsidiaries from third parties)

	FY2008/3 result	FY2009/3 result	YOY % increase/ (decrease)	Major factors	FY2010/3 forecast	YOY % increase/ (decrease)	Major factors
Operating revenues	76.7	71.1	(5.6)	Real estate lease and sale (7.5) Decrease in condominium sales Shopping centers 1.9 Effect of renovations and new openings	72.4	1.2	Real estate lease and sale 1.3 Opening of Nara Station NK Building (in February 2009) Shopping centers 0.5 Opening of PLiE Himeji (in December 2008)
Operating income	24.6	22.6	(2.0)	Real estate lease and sale (3.0) Shopping centers 0.2	21.3	(1.3)	Earthquake resistance upgrades and renovation of Tennoji Station Building



Viann Tokyo-Oimachi

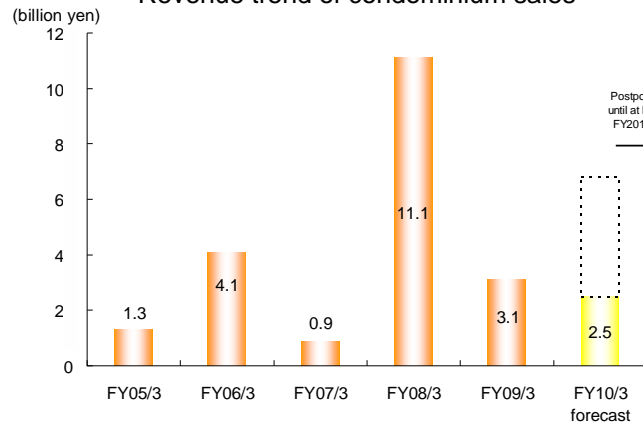


Nara Station NK Building

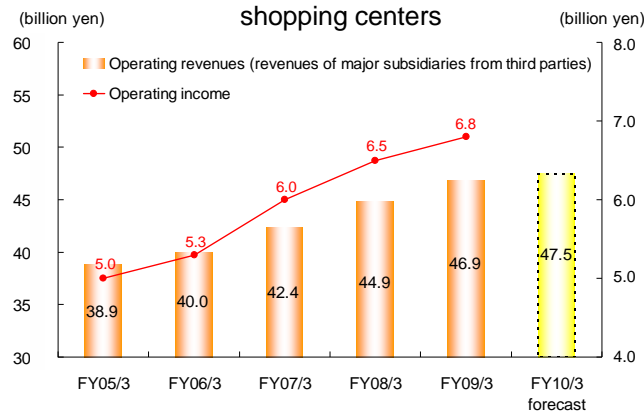


PLiE Himeji

Revenue trend of condominium sales



Revenue and income trends of shopping centers



8. Non-Transportation Business - 2

Other Businesses

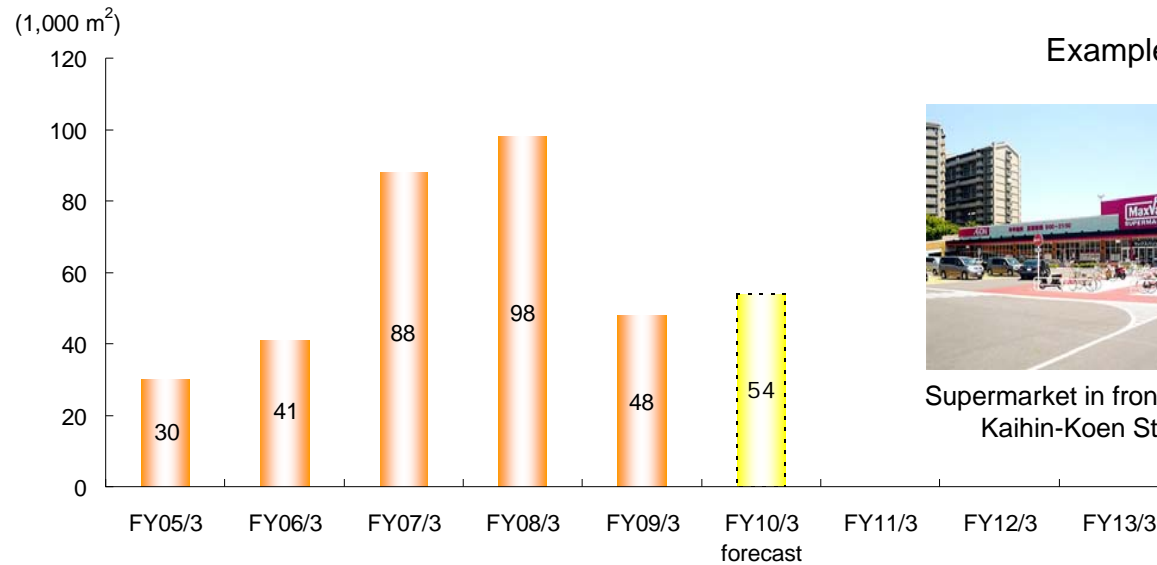
Unit: billion yen (operating revenues are the sums of the revenues of major subsidiaries from third parties)

	FY2008/3 result	FY2009/3 result	YOY % increase/ (decrease)	Major factors	FY2010/3 forecast	YOY % increase/ (decrease)	Major factors
Operating revenues	139.3	132.6	(6.7)	Hotel business (1.5) Travel business (3.1)	127.8	(4.8)	Hotel business (0.9) Travel business (2.3)
Operating income	11.0	6.7	(4.3)	Hotel business (0.9) Travel business (1.9)	5.0	(1.7)	



A room at the Hotel Granvia Kyoto (renovated in March 2009)

Result and Plan for Development in and around Stations



Examples of development in FY2009/3



Supermarket in front of Suma Kaihin-Koen Station

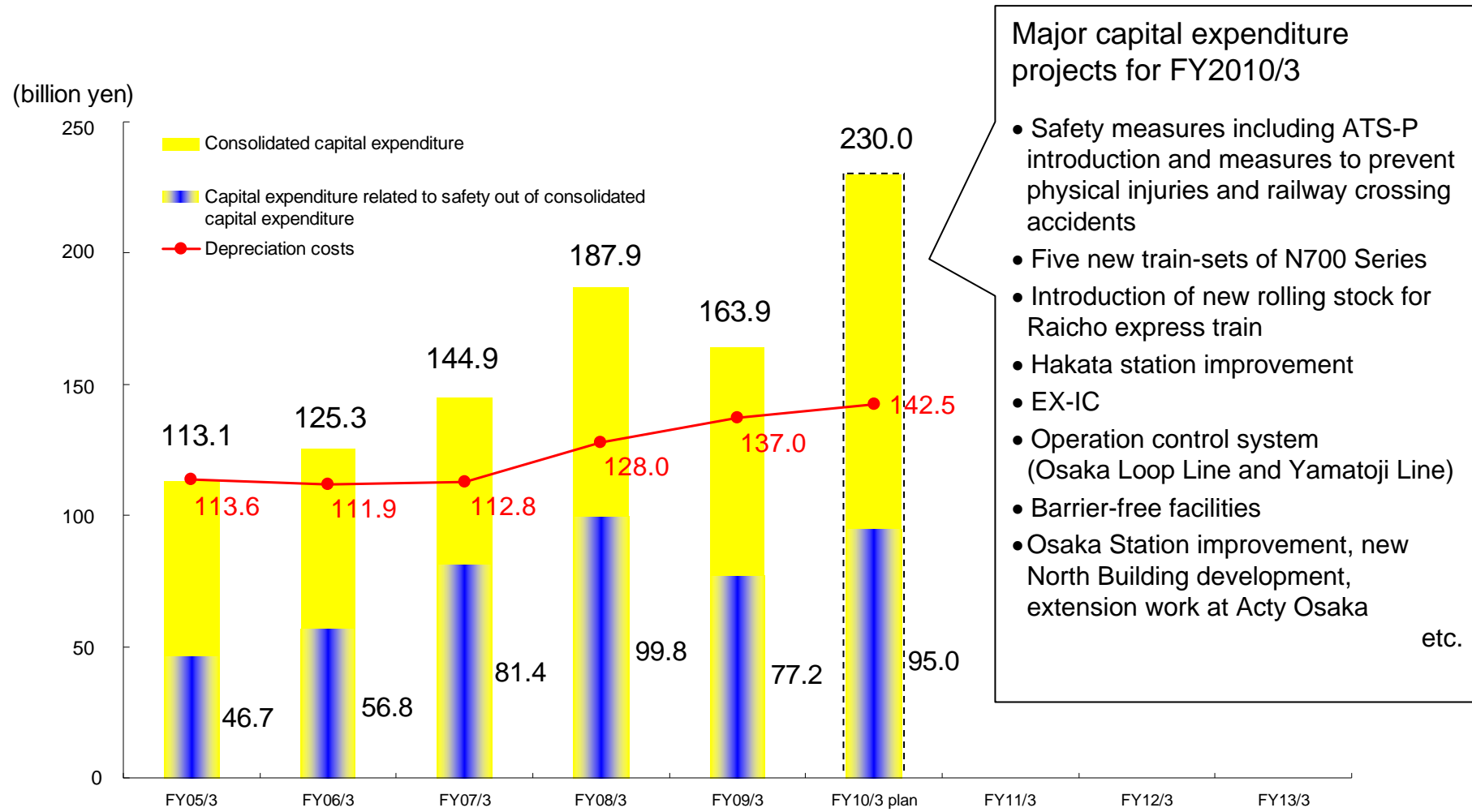


In front of Fukuchiyama Station (electrical appliance and other stores)

Medium-Term Management Plan (formulated in May 2008)

In total for the five-year period from FY09/3 to FY13/3, 250,000m² of development is planned, excluding Osaka Station development PT

9. Capital Expenditures Plan (Consolidated)



Medium-Term Management Plan (formulated in May 2008)
 Total of 980 billion yen in the 5-year period between FY09/3 and FY13/3

10. Two Main Projects

Direct Services between the Sanyo and the Kyushu Shinkansen

Launch of service: Spring 2011

(At the time of opening of Kyushu Shinkansen between Shin-Yatsushiro and Hakata)

Travel time:

	Distance	Travel time (fastest)
Shin-Osaka to Kumamoto	Approx. 774 km	Approx. 4 hours (current travel time) to 3 hours 20 minutes
Shin-Osaka to Kagoshima Chuo	Approx. 901 km	Approx. 5 hours (current travel time) to 4 hours

Total investment:

Approx. 100 billion yen (rolling stock + facilities)

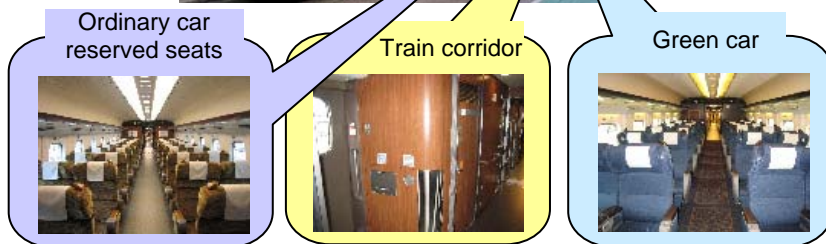
Including rolling stock for operation on direct service and Hakata Station renovation

(Reference) Introduction plan for Direct Services between the Sanyo and the Kyushu Shinkansen (train-sets of 8 stocks)

Year	FY09/3	FY10/3	FY11/3	FY12/3	Total
Number of train-sets	1	0	18		19

Recent topics:

- It has been decided that the name for the direct train will be "Sakura" (in February 2009)



Osaka Station Development Project

Scheduled completion: Spring 2011

Area of development: approx. 245,000 m²

New North Building: approx. 210,000 m²

Department store (JR West Isetan)	Approx. 90,000 m ² (Shopping area of 50,000 m ²)
Shopping center	Approx. 40,000 m ²
Offices	Approx. 45,000 m ²
Cinema complex	Approx. 10,000 m ²

Acty Osaka extension: + approx. 35,000 m²
(including shopping area at Daimaru + 24,000 m²)

Total project cost: approx. 210 billion yen

Projected revenue:

Real estate: 11.5 to 12.0 billion yen per year
(including intersegment transactions with Sales of Goods and Food Services)

Railways: 4.5 to 5.5 billion yen per year

Sales of Goods and Food Services : 55.0 billion yen and above per year (JR West Isetan)

Recent topics:

- The name "JR Osaka Mitsukoshi Isetan" and logo of the department store have been decided (in March 2009)



South-East side

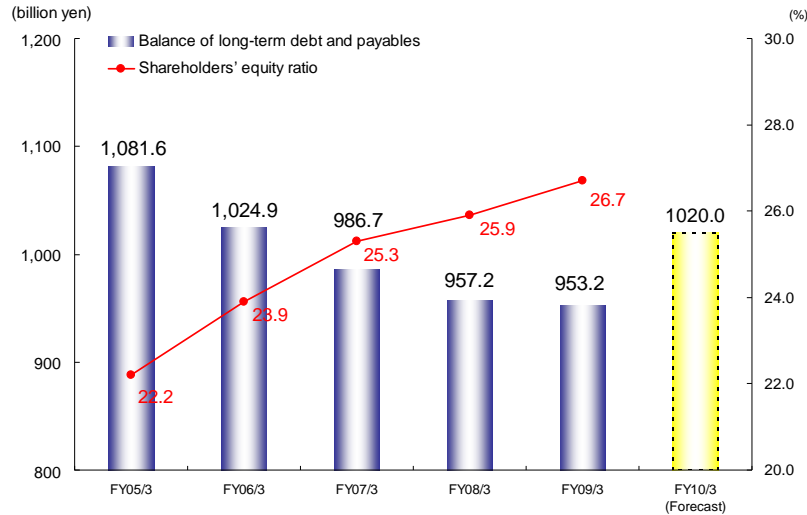


North side frontage

Osaka Station North Building
(As of April 2009)

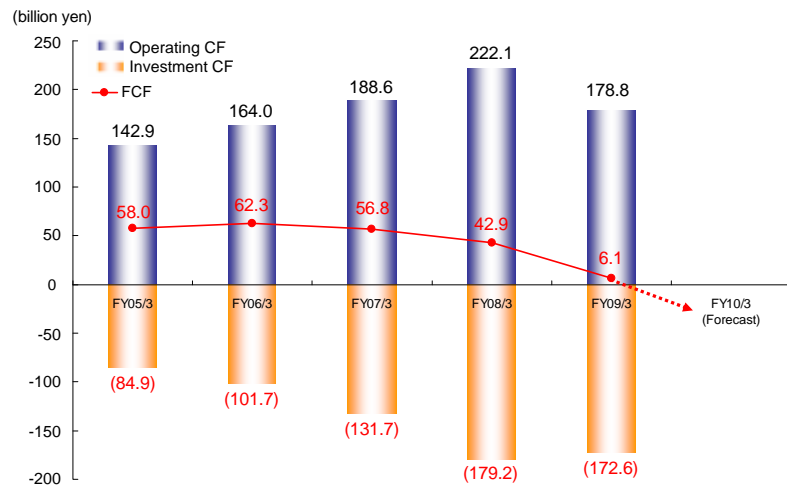
11. Finance and Cash Flow Strategies

Shareholders' equity ratio and long-term debt and payables (consolidated)



- The balance of long-term debts and payables as of the end of March 2009 was 953.2 billion yen and the shareholders' equity ratio has risen to 26.7%
- The forecast for the balance of long-term debts and payables for the fiscal year ending March 2010 is 1,020.0 billion yen, with the first increase for 12 years expected
- Although long-term debts and payables are expected to increase along with the high-level of capital expenditure, our understanding is that financial stability and soundness have improved

Forecast of cash flow (consolidated)



- A dividend of 7,000 yen per share is planned for the fiscal year ending March 2010
- Free cash flow is expected to fall temporarily into the negative, but capital expenditures promoting safety and growth and returns to shareholders are to be given priority
- Dividends and share buy-backs for next year onwards have yet to be planned, but there has been no change in the policy stated in the Medium-Term Management Plan to aim for consolidated DOE of 3% in the fiscal year ending March 2013, on condition that our projects yield results

Cautionary Statement Regarding Forward-looking Statements

- This presentation 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;
 - 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 May 1, 2009 based on information available to JR-West as of the date May 1, 2009 and JR-West does not undertake to update or revise any of its forward-looking statements or reflect future events or circumstances.
- Compensation for damages caused by the accident on Fukuchiyama Line happened on April 25, 2005 is NOT considered in this presentation.