

Results for fiscal year ended March 2010 and Future Initiatives

April 2010
West Japan Railway Company



1. FY2010/3 Results and Forecasts for FY2011/3

Consolidated Financial Results and Forecasts

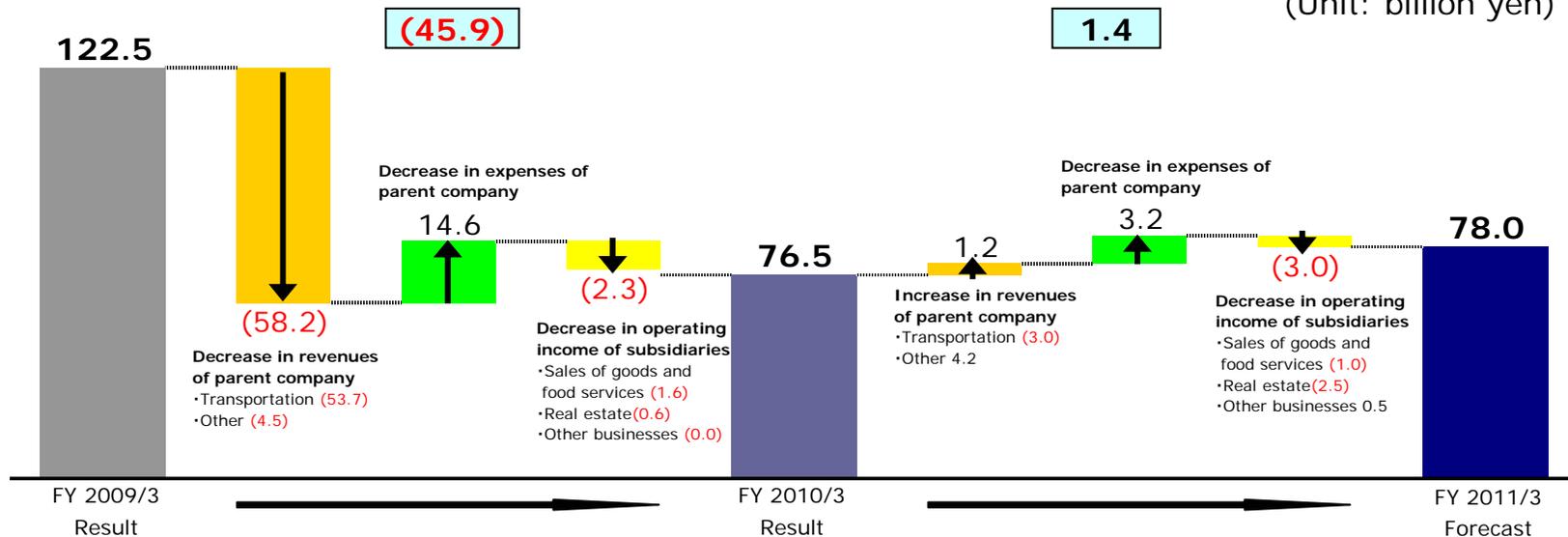
(Unit: billion yen)

	Results for fiscal year ended March 31, 2010			Forecasts for fiscal year ending March 31, 2011		
		YOY Increase/(Decrease)			YOY Increase/(Decrease)	
		Amount	%		Amount	%
Operating Revenues	1,190.1	(85.1)	(6.7)	1,193.0	2.8	0.2
Operating Expenses	1,113.6	(39.1)	(3.4)	1,115.0	1.3	0.1
Operating Income	76.5	(45.9)	(37.5)	78.0	1.4	1.9
Recurring Profit	48.1	(46.7)	(49.3)	49.0	0.8	1.9
Net Income	24.8	(29.6)	(54.4)	28.0	3.1	12.6

Note: Figures in bracket() are negative values.

Major Factors of Increase/decrease in Consolidated Operating Income

(Unit: billion yen)



2. Basic Policy for FY2011/3

Measures of restore confidence and to promote corporate revitalization

- Further enhancing measures outlined in the three pillars of management
 - Measures to have ourselves accepted as acting with the best of intentions by the victims of the train accident
 - Measures to enhance safety
 - Moving forward steadily with Basic Safety Plan
 - Furthering of reform
 - Reform of the corporate culture for corporate revival
- Strengthening corporate governance
 - Strengthening the monitoring and supervisory functions by the Board of Directors, ensuring corporate ethics, improving transparent management

Measures to cope with changing business environment

- Improvements in both revenues and expenditures
 - Securing and increasing revenues by strengthening competitiveness of Sanyo Shinkansen and stimulating demand for tourism
 - Cost reduction by evaluating the necessity and priority of measure
- Moving forward steadily with two major projects
 - Preparing for the completion in spring 2011 of "Direct services between the Sanyo Shinkansen and the Kyushu Shinkansen" and "Osaka Station Development Project"



- Meeting society's expectations by establishing a brand of safety and reliability
- Stemming the declining trend in revenues and trying to increase them
- Raising corporate value over the medium-to-long term by moving business strategies forward steadily toward sustainable growth

3. Major Factors of Increase/Decrease in Transportation Revenues

	Results for fiscal year ended March 31, 2010					Forecasts for fiscal year ending March 31, 2011		
	Transportation revenues	YOY Increase/(Decrease)		Major factors		Transportation revenues	YOY Increase/(Decrease)	
		Amount	%		Amount		Amount	%
Shinkansen	312.4	(26.6)	(7.9)	Fundamentals (93.1%)	(23.5)	313.0	0.5	0.2
				Special factors				
				Spread of the new influenza virus	(2.2)			
				Lowering of expresway tolls	(4.2)			
				Effects of convenient holidays (five-day holidays in September)	0.1			
				Effects of timetable revisions	1.6			
				etc				
Kyoto-Osaka-Kobe Area conventional lines	286.1	(15.4)	(5.1)	Fundamentals (95.6%)	(13.1)	285.7	(0.4)	(0.1)
				Special factors				
				Spread of the new influenza virus	(1.3)			
				Effects of convenient holidays (five-day holidays in September)	0.2			
				etc				
Other conventional lines	121.4	(11.1)	(8.4)	Fundamentals (91.9%)	(10.6)	118.2	(3.1)	(2.6)
				Special factors				
				Spread of the new influenza virus	(0.3)			
				Lowering of expresway tolls	(0.6)			
				Effects of convenient holidays (five-day holidays in September)	0.0			
etc								
Marine and freight	0.0	(0.4)	-	Marine business split-up		0.0	(0.0)	-
Total	720.0	(53.7)	(6.9)			717.0	(3.0)	(0.4)

Note: Figures in bracket() are negative values.

4. Marketing measures: Strengthening competitiveness of Shinkansen

Timetable Revisions

Timetable Revisions on March 13, 2010

- All Tokaido and Sanyo direct service regular "Nozomi" became operated by N700 series.
- Frequency of the Tokyo-Hakata "Nozomi" service was increased. Now there are 3 services per hour in the morning and evening.
- Frequency of "Hikari Rail Star" and "Kodama" with low load factor was reduced.

N700 Series



Timetable Revisions in spring 2011

- Direct services between the Sanyo and the Kyushu Shinkansen will start. 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 service (Ticket-less service of Shinkansen for members only)

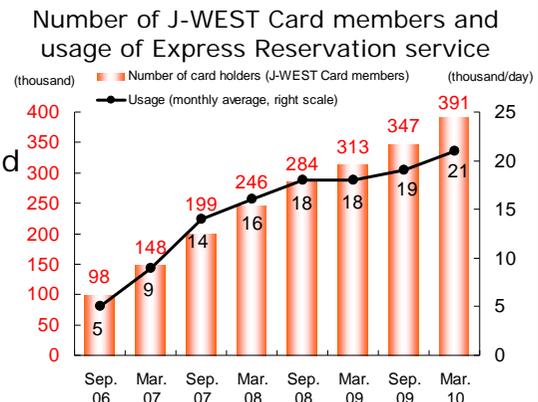
- Service on Tokaido and Sanyo Shinkansen lines started from August 29, 2009. No need to pick up paper tickets at stations.
- Ticket-less service between the Tokaido and the Sanyo Shinkansen lines and conventional lines in the Tokyo, Tokai, Kinki and Okayama-Hiroshima city areas became possible when used concurrently with IC cards for conventional lines such as ICOCA. Mutual usage service between ICOCA and JR Kyushu's SUGOCA will start in spring 2011.

J-WEST Premiere Program

- Service started from August 1, 2009. A promotion program for frequent Shinkansen users that provides J-West Card members with special benefits such as bonus points and point back equal to annual membership fees, based on their Shinkansen usage in the previous year

Express Resarvation Corporate Service

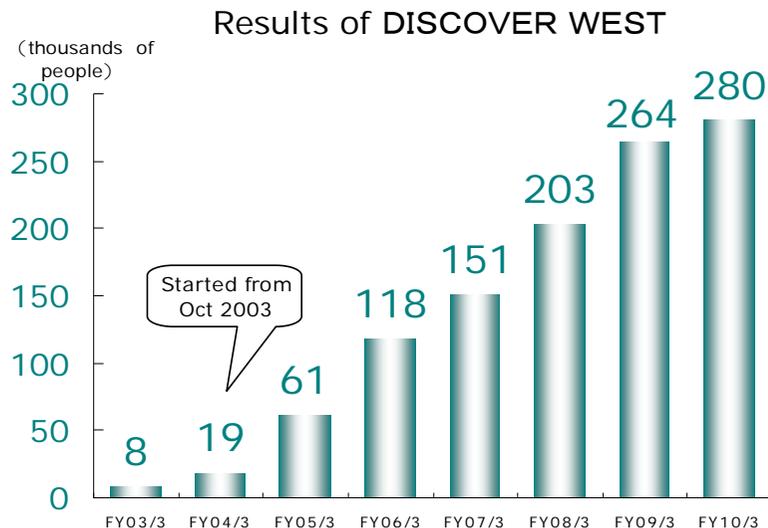
- Corporate-based "Express Reservations" service



5. Marketing measures: Initiatives to stimulate travel demand

DISCOVER WEST

- DISCOVER WEST is a marketing measure to increase travel demand to West Japan area from Tokyo metropolitan area, launched in October 2003.
- JR-WEST has been stimulating travel demand by discovering attractive tourist spots and offering travel packages as well as conducting continuous promotion in Tokyo metropolitan area.
- The number of tourists with DISCOVER WEST travel packages has been steadily increasing. It increased even in FY 2010/3 during which JR-WEST's transportation sharply declined.



Nara Destination Campaign

- Period : From April 2010 to June 2010
- Nara prefecture and JR Group work together to invite tourists to Nara from other areas in Japan in parallel with the Commemorative Events of the 1300th Anniversary of Nara Heijo-kyo Capital. We make this area more attractive by discovering tourists spots and holding large-scale events, and offer travel packages as well as conducting intensive promotion toward other areas in Japan.



- JR-WEST's major initiatives

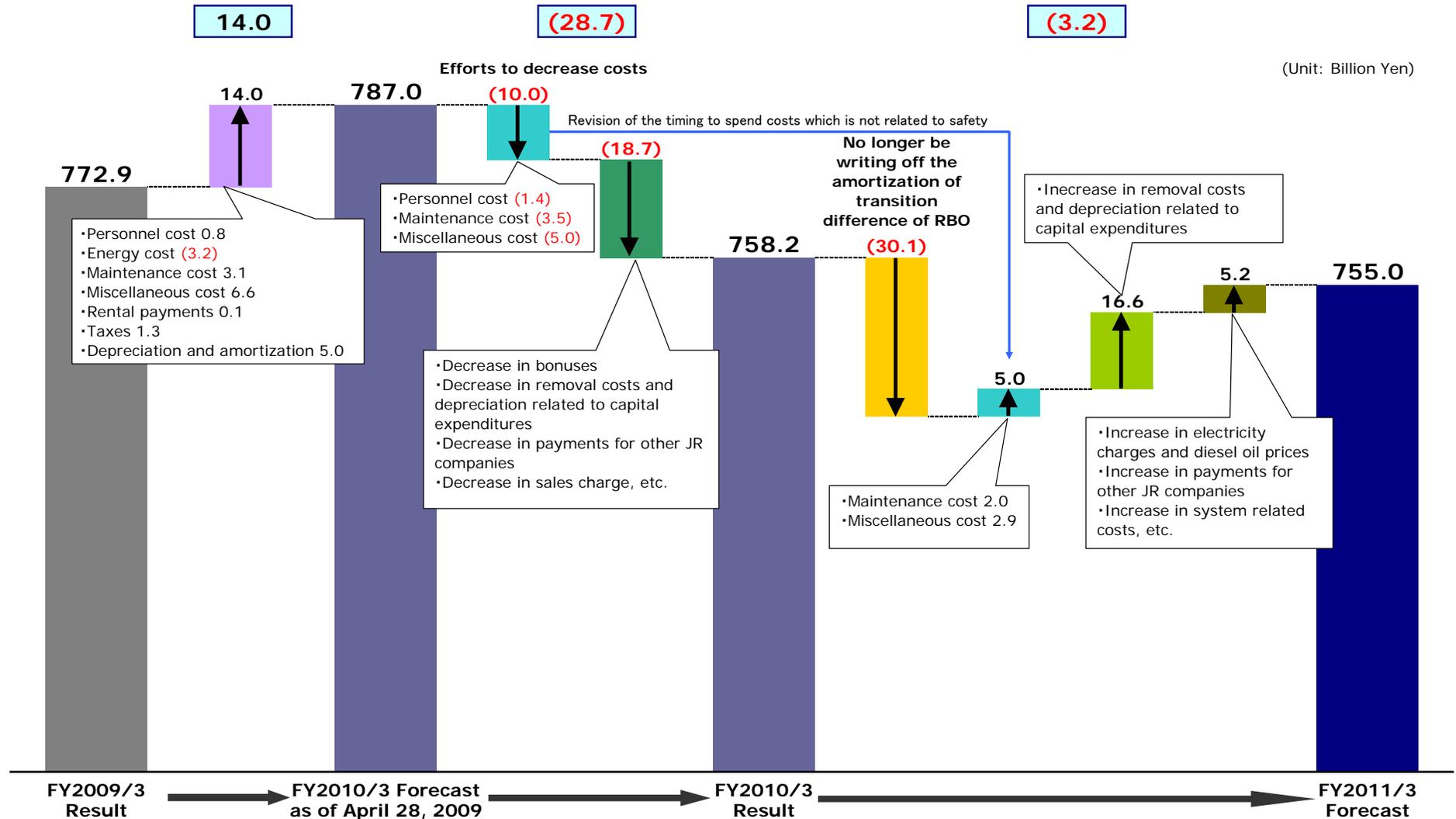
- Setting special limited express "Mahoroba" that runs between Shin-Osaka and Nara on April 1 and Saturdays, Sundays and holidays (one round trip a day).
 - Setting specially painted trains named "Manyo Train" 
 - Sakurai line adopted the nickname "Manyo Mahoroba line"
 - Offering special tickets: "Nara·Yamatoji YuYu ticket" "Nara·Osaka free ticket (JR·Kintetsu)" targeting tourists from Tokyo, Nagoya and Sanyo area (tickets including round trip Shinkansen tickets and unlimited travel within certain area of JR, Kintetsu and Nara Kotsu) , "Nara Manyo ticket" targeting tourists from Kobe, Osaka, Kyoto and Wakayama area (tickets including unlimited travel within certain JR lines in Nara).
 - Offering travel packages combining JR and hotel sold at major travel agencies
- ⇒ Promoting train use by offering attractive travel packages and services

6. Major Factors of Increase/Decrease in Operating Expenses (Non-consolidated)

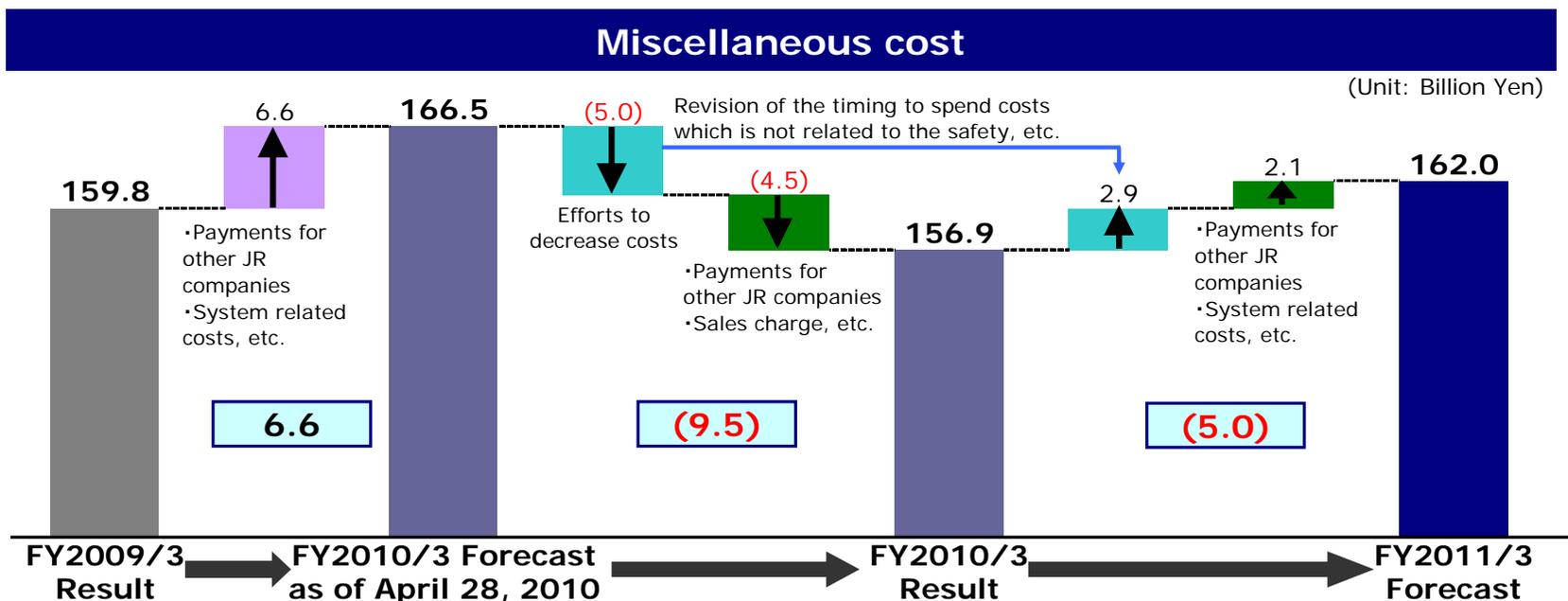
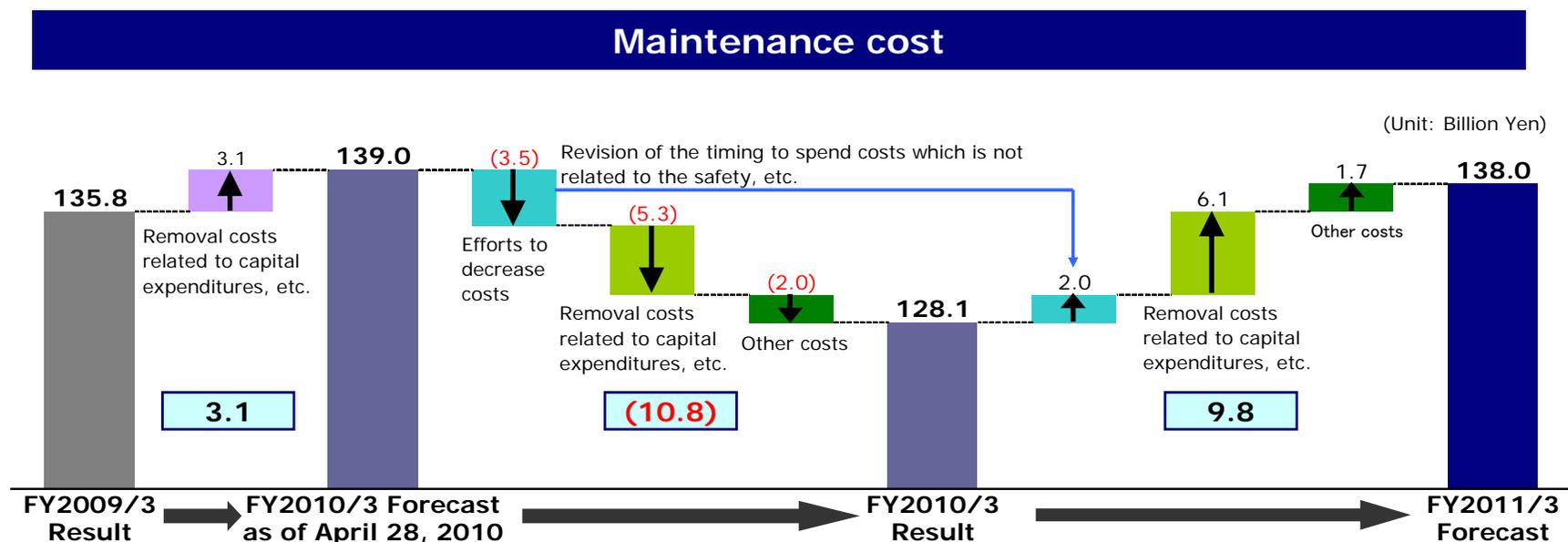
Item	Results for fiscal year ended March 31, 2010			Forecasts for fiscal year ending March 31, 2011		
	YOY Increase/(Decrease)		Major factors (Unit: Billion Yen)	YOY Increase/(Decrease)		Major factors (Unit: Billion Yen)
	Amount	%		Amount	%	
Personnel costs	(3.3)	(1.3)	•Decrease in bonuses (2.5), etc	(31.2)	(11.8)	•Expiration of amortization of net retirement benefits obligations at transition (30.1) •Decrease in bonuses (1.5)
Energy costs	(4.6)	(12.2)	•Decrease in electricity charges and diesel oil prices, etc	1.9	5.7	•Increase in electricity charges and diesel oil prices, etc
Maintenance costs	(7.7)	(5.7)	•Decrease in project costs (5.2) •Decrease in maintenance works contributed by third parties (2.5), etc	9.8	7.7	•Increase in removal costs related to capital expenditures 6.1 •Increase in project costs 2.9
Miscellaneous costs	(2.9)	(1.8)	•Increase in system related costs 0.7 •Decrease in payments for other JR companies (0.1) •Decrease in sales charge (1.7) •Decrease in publicity costs (1.6) •Decrease in electricity charges and diesel oil prices(0.8), etc	5.0	3.2	•Increase in payments for other JR companies 1.7 •Increase in system related costs 1.8 •Increase in electricity charges and diesel oil prices 0.3, etc
Rental payments	(0.2)	(0.1)	—	(0.0)	(0.4)	—
Taxes	0.2	0.8	•Increase in property taxes, etc	0.6	2.2	•Increase in property taxes, etc
Depreciation and amortization	4.0	3.5	•Increase in capital expenditures	10.5	8.8	•Increase in capital expenditures
Total	(14.6)	(1.9)	—	(3.2)	(0.4)	—

Note: Figures in bracket() are negative values.

7. Result and Forecast in Operating Expenses (Non-consolidated)



8. Result and Forecasts in Maintenance costs and miscellaneous cost



9. Non-Transportation Business - 1

Retail Business

(Unit: Billion Yen)

	FY09/3 Result	FY10/3 Result	YOY	Major factors	FY11/3 Forecasts	YOY	Major factors
Operating Revenues	215.3	201.9	(13.3) (6.2%)	Sales of goods and food services (10.0) Decrease due to recession and new influenza, etc. Department Store (4.7) Decrease in cloths, etc.	198.1	(3.8) (1.9%)	Sales of goods and food services (1.4) Decrease due to recession and improvement work in Shin-Osaka station Department Store (1.4)
Operating Income	4.7	3.1	(1.6) (33.6%)	Sales of goods and food services (1.0) Department Store (0.7)	2.1	(1.0) (33.8%)	Increase in expenses for opening of JR Osaka Mitsukoshi-Isetan, etc.

Real Estate Business

(Unit: Billion Yen)

	FY09/3 Result	FY10/3 Result	YOY	Major factors	FY11/3 Forecasts	YOY	Major factors
Operating Revenues	71.1	70.9	(0.1) (0.3%)	Real estate lease and sale 0.4 Increase due to development of new station buildings, etc. Shopping center (0.1) Increase in rent due to new development and renewal Decrease in rent due to recession and new influenza	73.6	2.6 3.7%	Real estate lease and sale 2.4 increase in sales of condominiums Shopping center 0.0
Operating Income	22.6	22.5	(0.1) (0.5%)	Real estate lease and sale (0.7) Shopping center 0.1	21.0	(1.5) (6.7%)	Increase in expenses for opening of Northgate and Southgate building

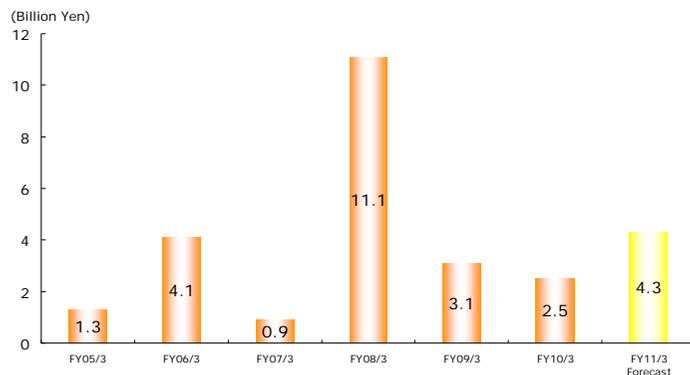


Via Inn Tokyo-Oimachi
(Opened in July 2009)

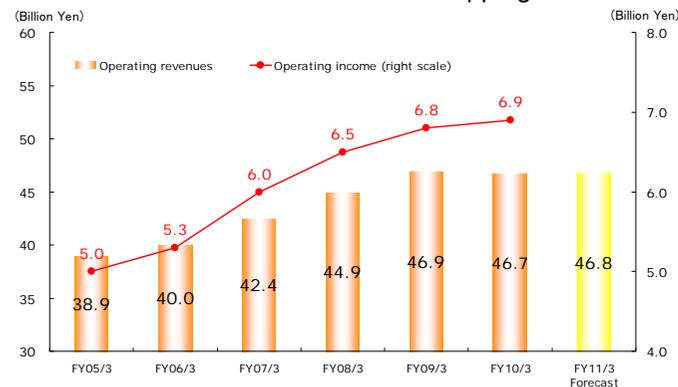


JR Sumakaihinkouen West NK Building
(Opened in September 2009)

Revenue trend of condominium sales



Revenue and income trend in shopping center



Wakayama MIO
(Opened in March 2010)

10. Non-Transportation Business - 2

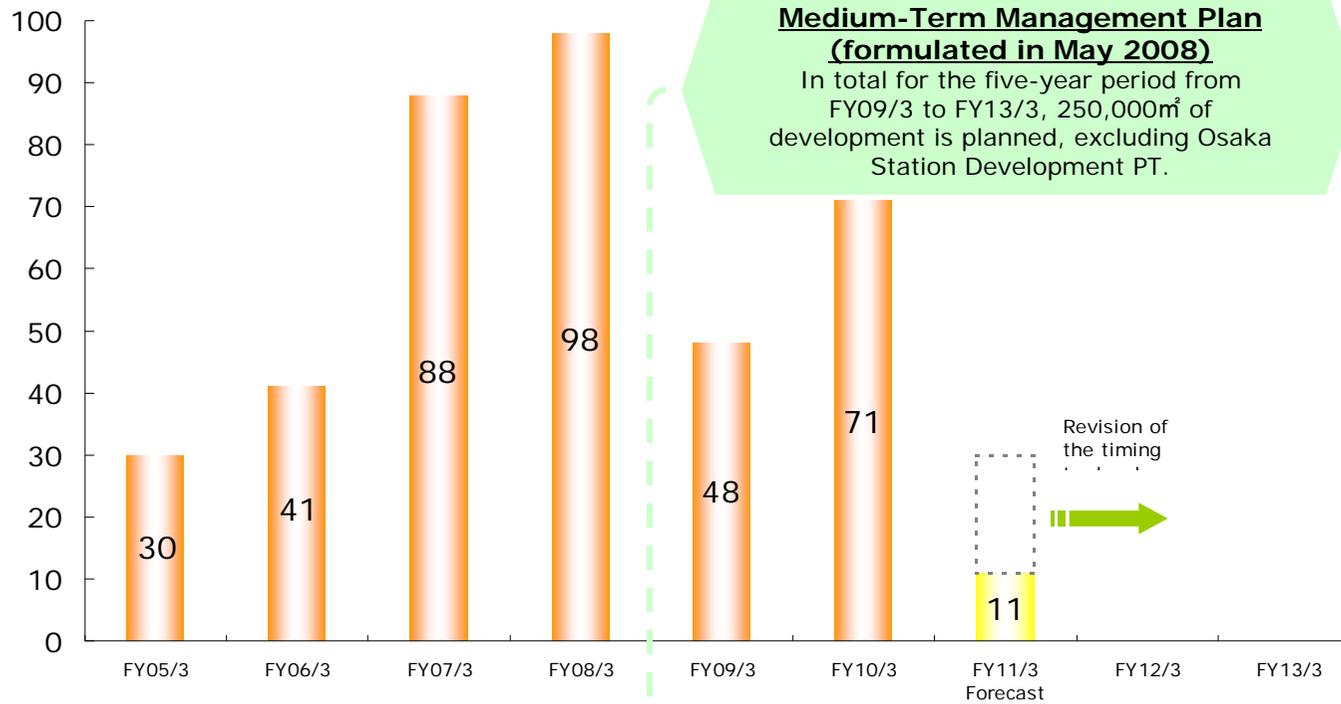
Other Businesses

(Unit: Billion Yen)

	FY09/3 Result	FY10/3 Result	YOY	Major factors	FY11/3 Forecasts	YOY	Major factors
Operating Revenues	132.6	119.6	(12.9) (9.7%)	Hotels (1.4) Decrease in guests and banquets due to recession and new influenza, etc. Travel agency (7.9) Decrease in domestic and overseas travel	124.9	5.2 4.3%	Hotels 0.3 Travel agency 1.1
Operating Income	6.7	6.7	0.0 0.0%	Hotels (0.2), Travel agency (0.3)	7.0	0.2 4.0%	

Results and Plan for Development in and around Stations

(1,000m²)



Examples of development in FY10/3



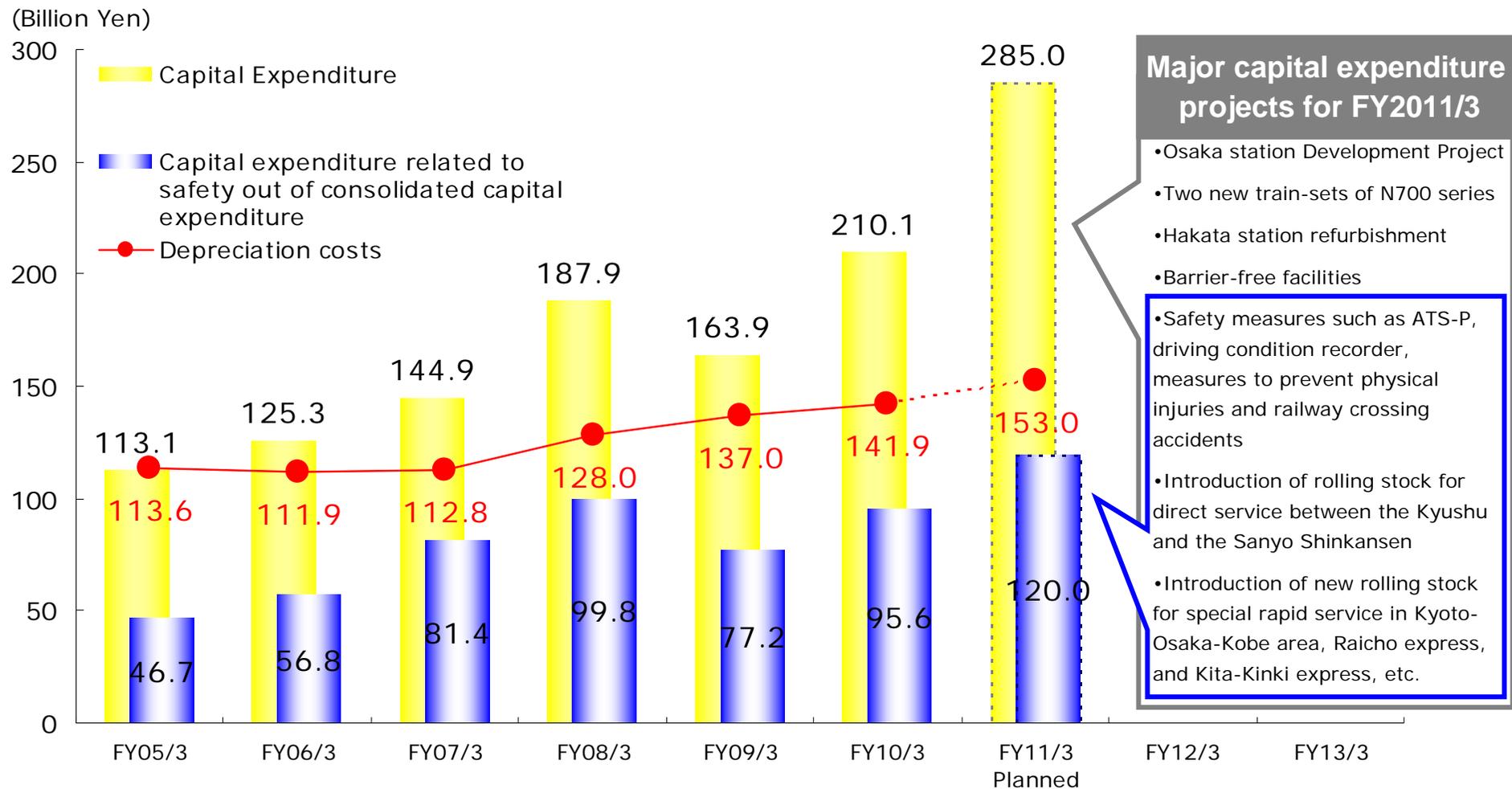
Development of Nada Station (Opened in October 2009)



Development of Takarazuka Station (Eki Marche Takarazuka, Opened in March 2010)

11. Capital Expenditures Plan (consolidated)

➤ Large amount of capital expenditures is prospected in FY2011/3



Medium-Term Management Plan (formulated in May 2008)

In total for the five-year period from FY09/3 to FY13/3, 980.0 billion Yen.

12. Direct Service between Sanyo and Kyushu Shinkansen

Launch of service

Spring 2011 (At the time of opening of Kyushu Shinkansen between Shin-Yatsushiro and Hakata)

Total investment:

Approx. 100 billion yen (rolling stock + ground facilities)

(Reference) Schedule for introduction of new rolling stock for direct service (8-car train)

	FY09/3	FY10/3	FY11/3	FY12/3	Total
Number of trains	1	0	18		19

Expected travel time (the fastest service) and frequency

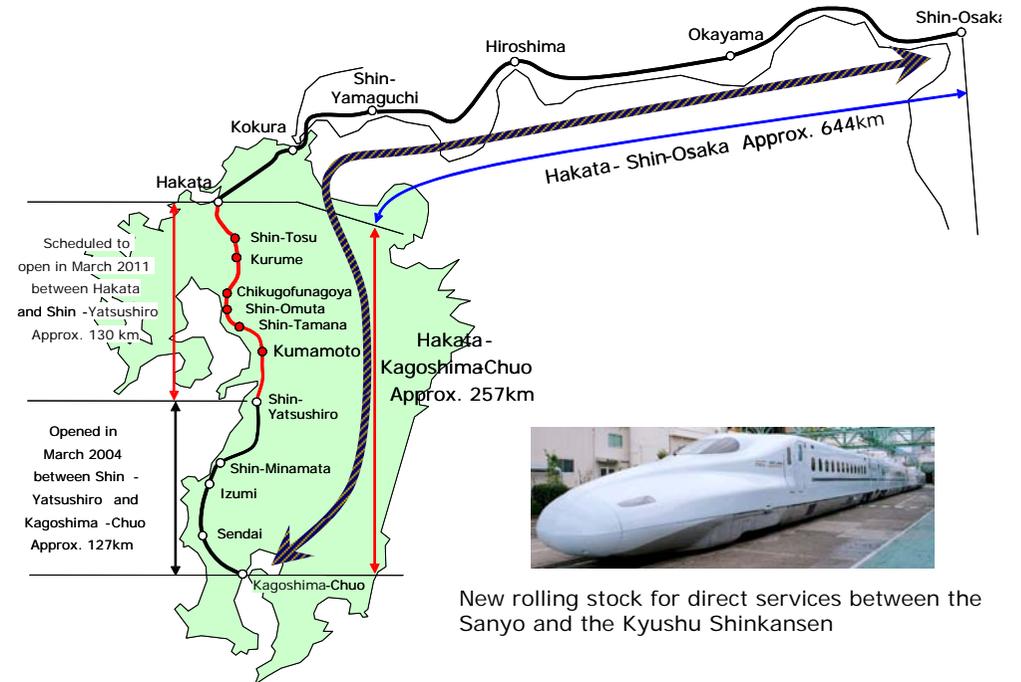
	Kumamoto ↔ Shin-Osaka	Kagoshima Chuo ↔ Shin-Osaka
Present (April, 2010)	3 hours 57 minutes	5 hours 2 minutes
At the time of launching service	about 3 hours 20 minutes	about 4 hours

At least one direct service per hour is expected to be operated.

Number of travelers by Rail and Air on major routes (FY08/3)

Routes		Railway	Airplane	Total
Kyoto-Osaka-Kobe Area	Kumamoto	803 persons/day (30%)	1,885 persons/day (70%)	2,688 persons/day
	Kagoshima	364 persons/day (9%)	3,605 persons/day (91%)	3,969 persons/day

Source: Ministry of Land, Infrastructure and Transport



New rolling stock for direct services between the Sanyo and the Kyushu Shinkansen

○ JR-West will drive travel demand before the launch of the service, in cooperation with JR Kyushu and local governments along the Kyushu Shinkansen.

○JR-West will activate tourism from Kyushu to West Japan area, such as Kyoto-Osaka-Kobe area, Okayama and Hiroshima to increase two-way traffic.

13. Osaka Station Development Project

Scheduled completion

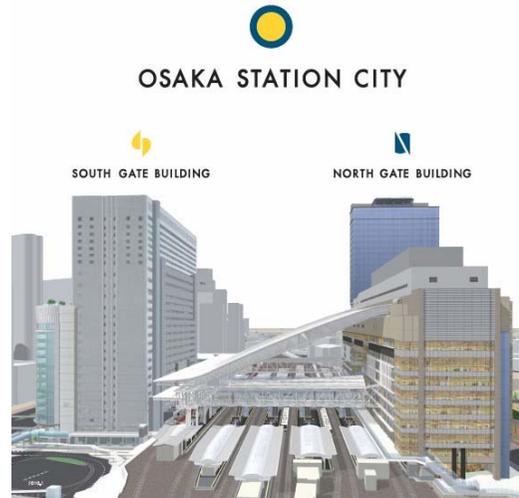
Spring 2011

Total project cost

approx. 210 billion yen

Area of development

approx. 245,000 m²



North Gate Building: approx. 210,000m²

- Department store (West Japan Railway Isetan)
approx. 90,000m² (Sales area: approx. 50,000m²)
- Shopping center (Lucua)
approx. 40,000m² (Shopping area: approx. 20,000m²)
- Offices, etc.
approx. 45,000m² (Rentable area: approx. 21,000m²)
- Cinema complexes
approx. 10,000m²

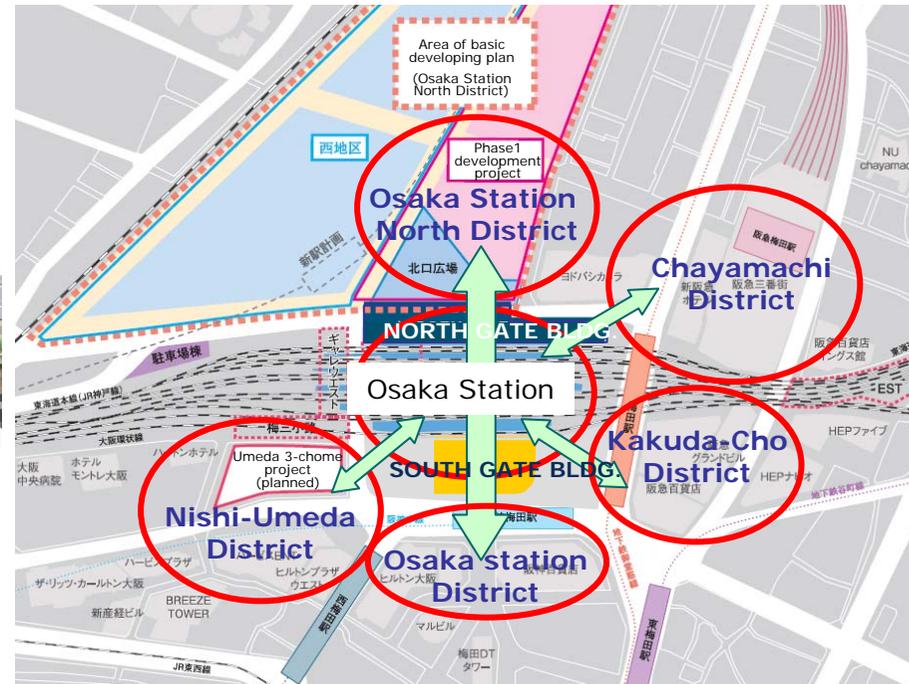
South Gate Building expansion: approx. 35,000m² (Sales area: approx. 24,000m²)

Daimaru department store 138,000m²→173,000m²

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: more than 55.0 billion yen per year
(West Japan Railway Isetan)

(Reference) Cooperation and link between station and district around Osaka station

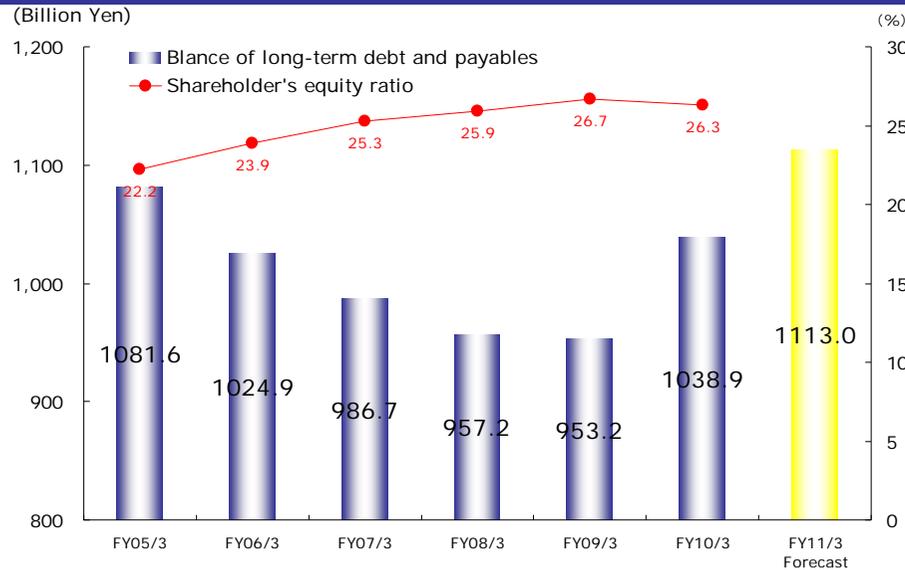


○ JR-West Newly constructs the station on a bridge and North-South pedestrian passageways to improve the accessibility around the station by enhancing North-South and East-West pedestrian flows.

○ Major projects, such as the development of Osaka Station North District, are on process around the station. JR-West will make the whole area more attractive in corporation with surrounding districts.

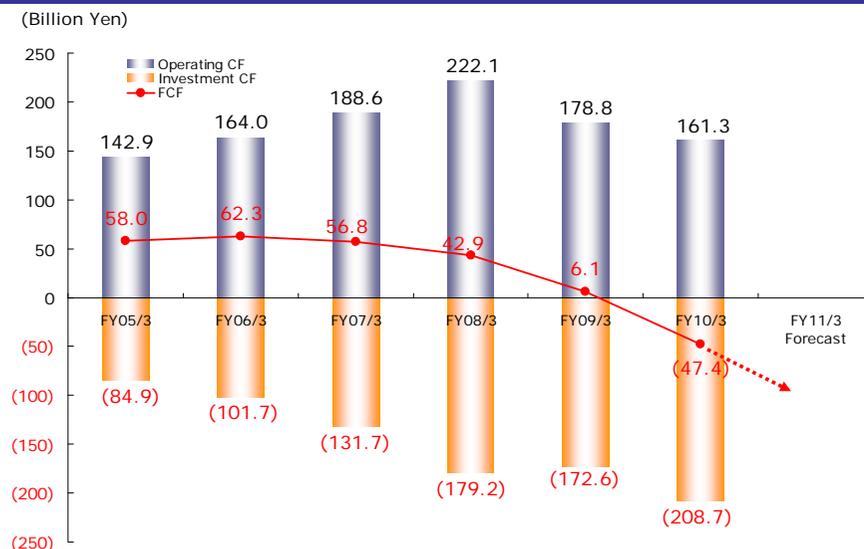
14. Finance and Cash Flow Strategies

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



- The balance of long-term debt and payables as of the end of March 2010 was 1,038.9 billion yen and the shareholders' equity ratio was 26.3%.
- The forecast for the balance of long-term debt and payables for the fiscal year ending March 2011 is 1,113.0 billion yen.
- Although long-term debt and payables are expected to increase in the short run along with the high level of capital expenditure, our understanding is that they will decrease again after major projects are completed.

Cash flow trend (consolidated)



- A dividend of 7,000 yen per share is planned for the fiscal year ending March 2011.
- Free cash flow is expected to fall into the negative in the short run due to the high level of capital expenditure, but we will steadily implement capital expenditures for enhancing safety and two major projects as planned aiming at sustainable growth.

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.
- 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.
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 - 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 April, 2010 based on information available to JR-West as of April, 2010 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.