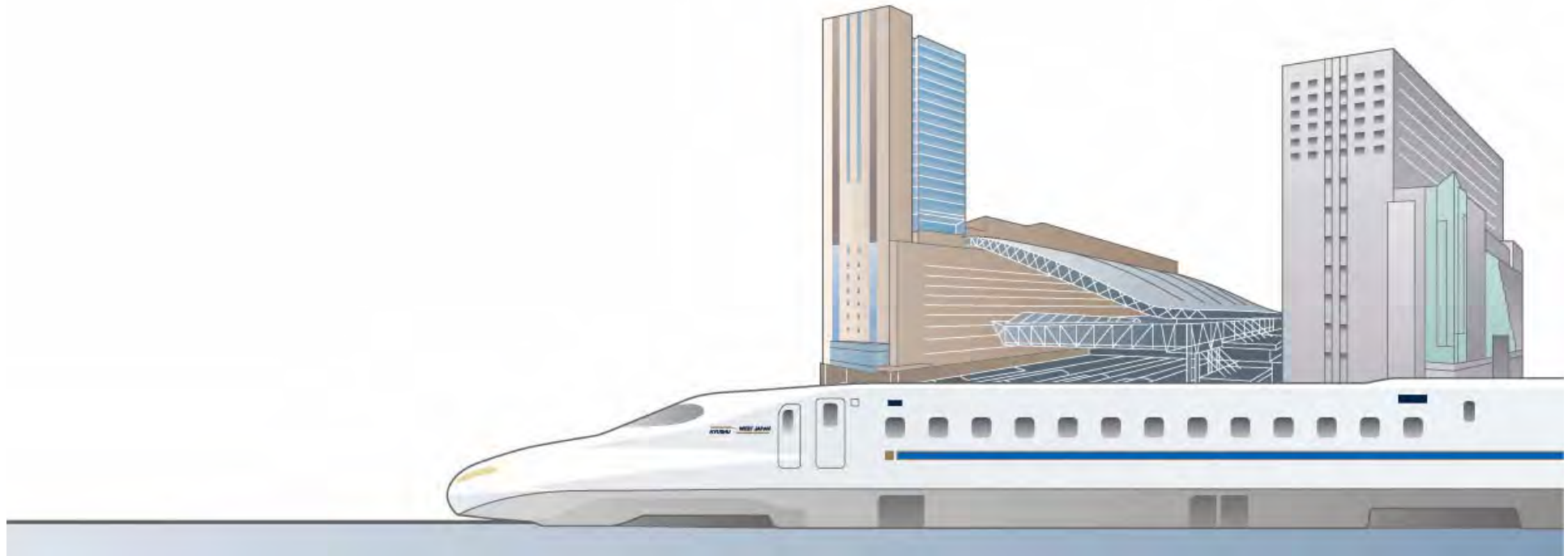


# Results for fiscal year ended March 2011 and Future Initiatives



April 2011  
West Japan Railway Company



# 1. FY2011/3 Results and Forecasts for FY2012/3

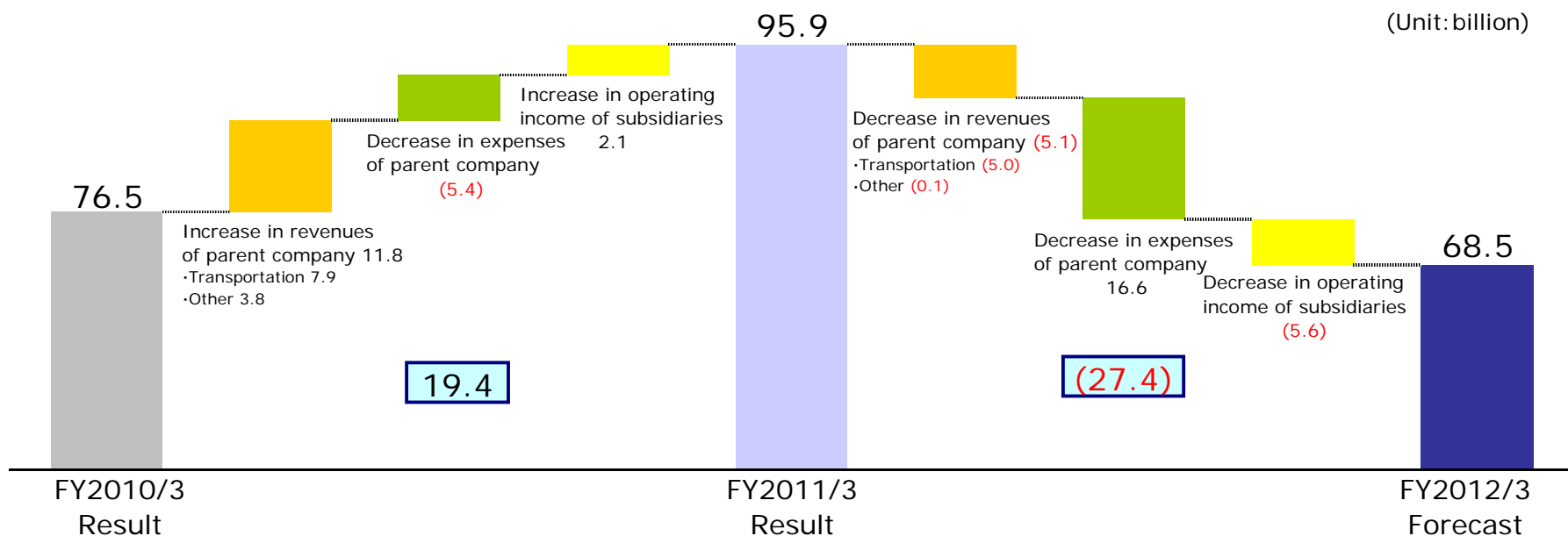
## Consolidated Financial Results and Forecasts

(Unit: billion yen)

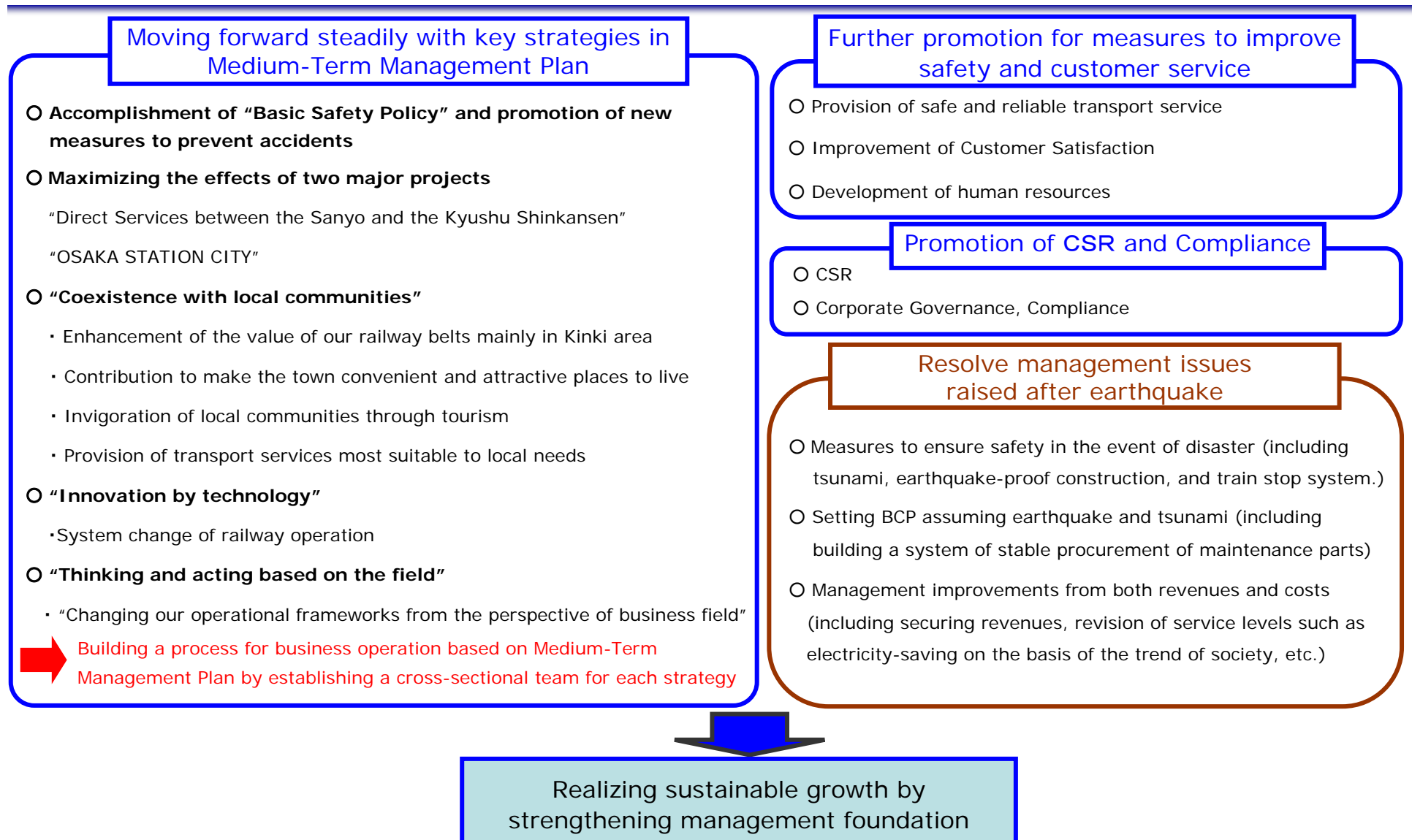
	Results for fiscal year ended March 31, 2011			Forecasts for fiscal year ending March 31, 2012		
		YOY Increase/(Decrease)			YOY Increase/(Decrease)	
		Amount	%		Amount	%
Operating Revenues	1,213.5	23.3	2.0	1,260.0	46.4	3.8
Operating Expenses	1,117.5	3.9	0.4	1,191.5	73.9	6.6
Operating Income	95.9	19.4	25.4	68.5	(27.4)	(28.6)
Recurring Profit	68.9	20.8	43.3	42.0	(26.9)	(39.1)
Net Income	34.9	10.1	40.7	25.0	(9.9)	(28.5)

Note: Figures in bracket() are negative values.

## Major Factors of Increase/Decrease in Consolidated Operating Income



## 2. Basic Management Policy for FY2011/3



JR-West Group will focus all its effort into maximize the effects of the two long-awaited major projects "Direct services between the Sanyo and the Kyushu Shinkansen" and "Osaka Station City".

### 3. Major Factors of Increase/Decrease in Transportation Revenues

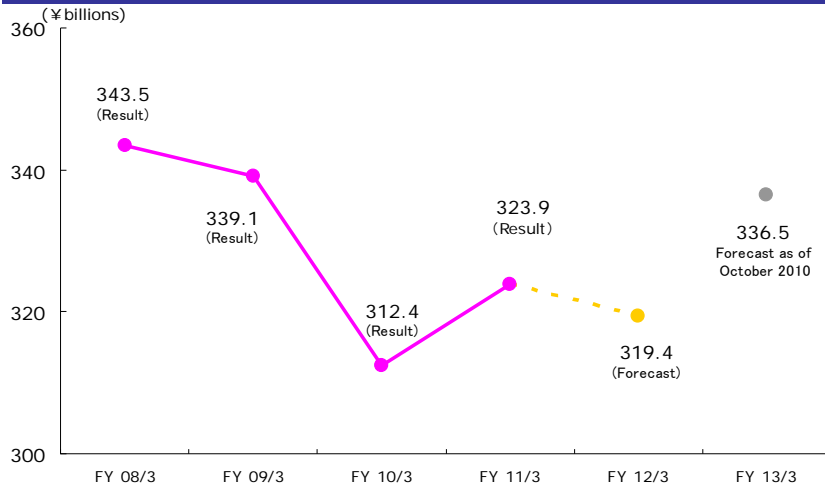
(Unit: Billion Yen)

	Results for fiscal year ended March 31, 2011				Forecasts for fiscal year ending March 31, 2012			
	Transportation revenues	YOY Increase/(Decrease)		Major factors		Transportation revenues	YOY Increase/(Decrease)	
		Amount	%		Amount		Amount	%
Shinkansen	323.9	11.4	3.7	Fundamentals (103.0%)	9.2	319.4	(4.4)	(1.4)
				Special factors				
				Effects of timetable revisions	2.4			
				Rebound of new influenza virus in the previous year	2.2			
				Effects of direct service between the Sanyo and the Kyushu Shinkansen	0.8			
				The Great East Japan Earthquake etc.	(2.8)			
Kyoto-Osaka-Kobe Area conventional lines	284.4	(1.7)	(0.6)	Fundamentals (99.4%)	(1.7)	285.7	1.3	0.5
				Special factors				
				Rebound of new influenza virus in the previous year	1.3			
				The Great East Japan Earthquake	(0.7)			
				Hot summer in August and September	(0.4)			
				etc.				
Other conventional lines	119.6	(1.7)	(1.4)	Fundamentals (99.6%)	(0.5)	117.7	(1.8)	(1.6)
				Special factors				
				Rebound of new influenza virus in the previous year	0.3			
				The Great East Japan Earthquake	(0.6)			
				Toll-free expressways	(0.3)			
				etc.				
Freight	0.0	(0.0)	-			0.0	(0.0)	-
Total	728.0	7.9	1.1			723.0	(5.0)	(0.7)

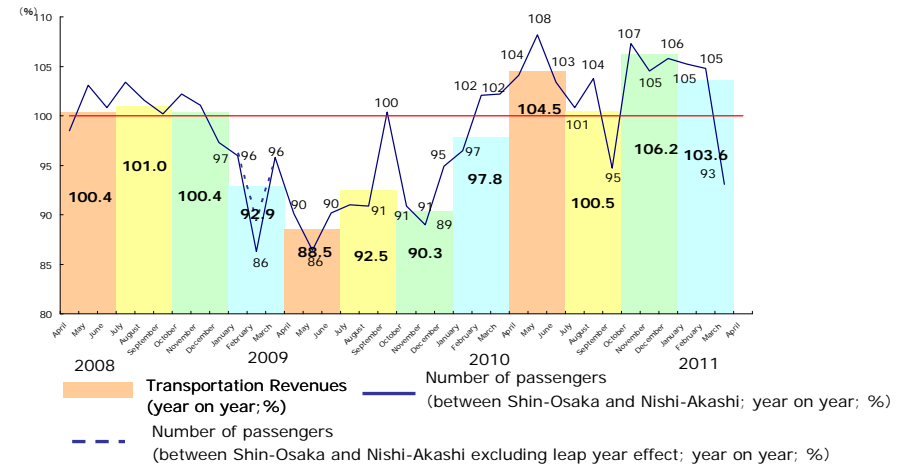
Note: Figures in bracket() are negative values.

# 4. Revenue Forecasts and Initiatives Going Forward①: Shinkansen

Transportation revenue trend and forecast



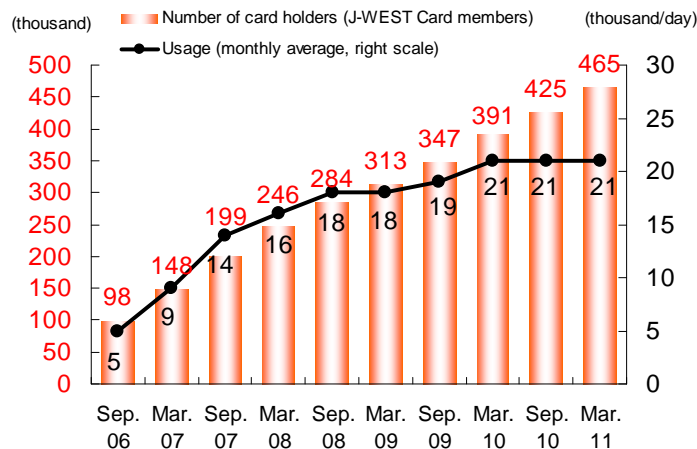
Quarterly revenue and monthly passenger volume



## Initiatives going forward

### OPromotion of Express Reservation Service and e-5489

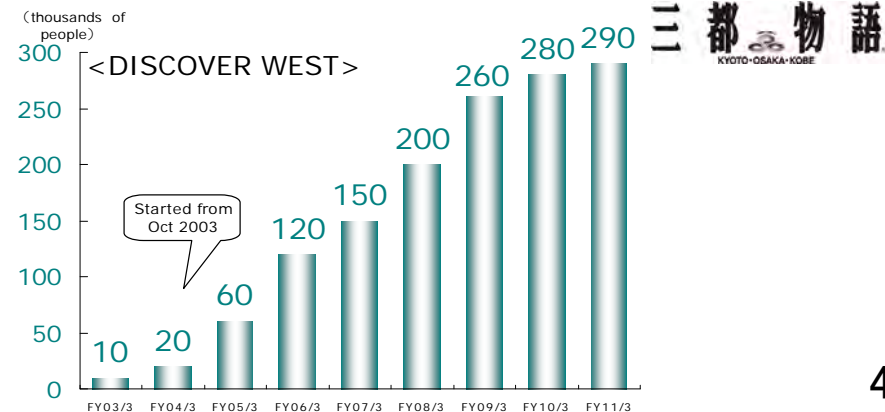
- Increase in the number of J-WEST Card members
- Member's more frequent use through "J-WEST Premiere Program"



<J-WEST Card>

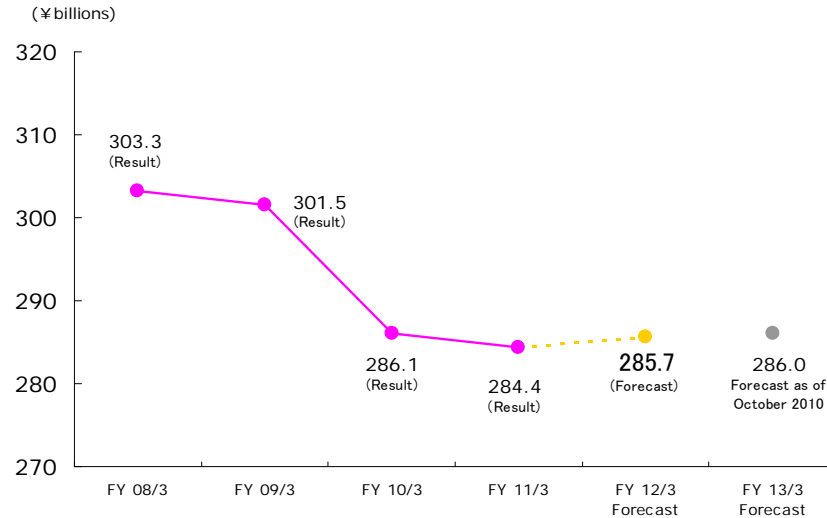
### OBoosting travel demand through travel campaigns

- Introduction of more attractive travel package line-ups
- Introduction of website "Santo Monogatari Web" providing various travel information on Kyoto-Osaka-Kobe area and travel packages including Shinkansen (Started from March 28, 2011)

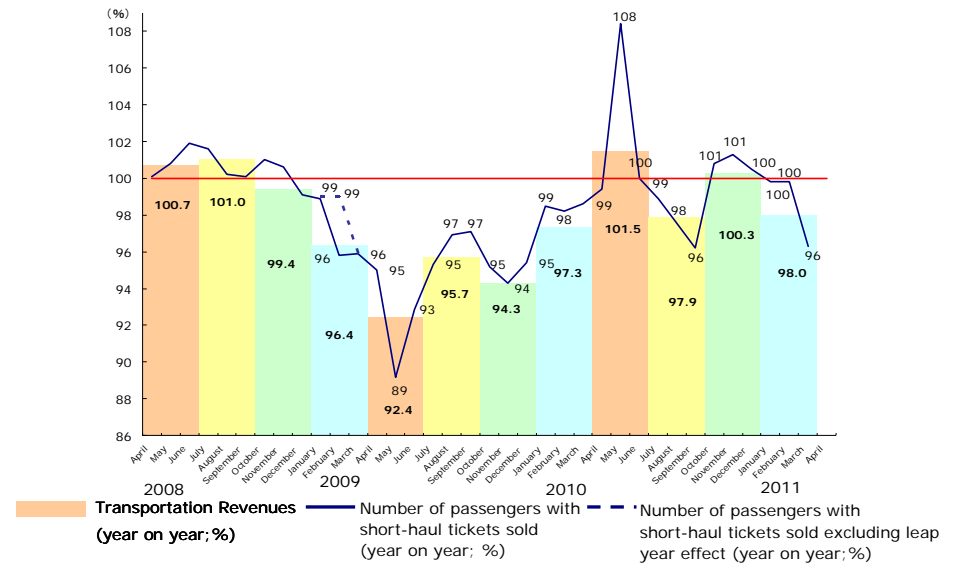


# 5. Revenue Forecasts and Initiatives Going Forward②: Kyoto-Osaka-Kobe Area

Transportation revenue trend and forecast

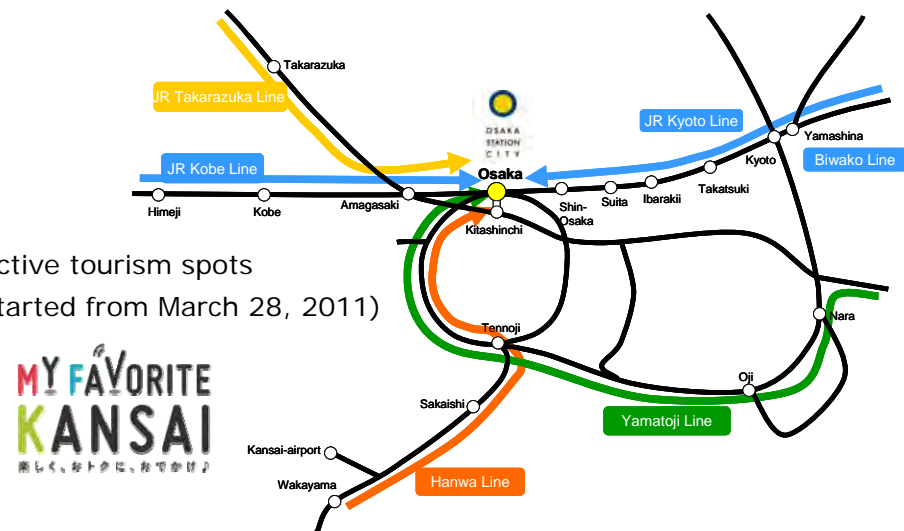


Quarterly revenue and monthly passenger volume



## Initiatives going forward

- Improving accessibility to OSAKA STATION CITY
  - Operating all special rapid service trains by 12 cars on weekends (JR Kobe line, JR Kyoto line and Biwako line)
  - Increasing the number of direct services to Osaka station (JR Takarazuka line, Yamatoji line and Hanwa line) (Started from March 12, 2011)
- Upgrading internet-based travel information service with more attractive tourism spots
  - Kansai area's travel information website "MY FAVORITE KANSAI" (Started from March 28, 2011)
- Enhancement of railway service through ICOCA
  - Collaboration with other public transport operators (Selling ICOCA and ICOCA commuter pass at Keihan Electric Railway stations starting from June 1, 2011)



# 6. Direct Service between the Sanyo and the Kyushu Shinkansen

## 【Outline of Direct service】

(Frequency, travel time and price)

		Frequency (return/day)	Travel time (the fastest service)	Price* (one way)
Osaka⇄Kagoshima	"Mizuho"	4	3 hours 45 minutes	¥21,600 (¥17,000 with discount)
	"Sakura"	10.5	4 hours 10 minutes	¥21,300 (¥17,000 with discount)
Osaka⇄Kumamoto	"Mizuho"	4	2 hours 59 minutes	¥18,320 (¥14,400 with discount)
	"Sakura"	11	3 hours 20 minutes	¥18,020 (¥14,400 with discount)

\*There are four west-bound and east-bound "Mizuho" services in a day.

\*Prices in parentheses represent the prices of "e-early reservation discount tickets".

(Reference) Number of travelers by rail and air on major routes (FY09/3)

Routes	Railway	Airplane	Total
Kyoto-Osaka- Kobe area ⇄ Kagoshima	358 persons/day (9%)	3,485 persons/day (91%)	3,843 persons/day -
Kyoto-Osaka- Kobe area ⇄ Kumamoto	794 persons/day (30%)	1,822 persons/day (70%)	2,616 persons/day -

Source: Ministry of Land, Infrastructure and Transport

## 【Provision of high quality service】

- Promotion of new internet reservation service "e-5489"
  - Available to book seats of major express trains in JR-West, JR-Shikoku and JR-Kyushu area as well as "Mizuho," "Sakura" and "Tsubame," in addition to "Nozomi," "Hikari" and "Kodama" on the internet
  - Selling "e-early reservation discount tickets" available when booking seats up to three days before the date of departure
- Introduction of new comfortable rolling stock with upgraded reclining functioned seats and two-by-two seating arrangement in ordinary cars

## 【Invigoration of travel demand】

- Promotion of inter-regional tourism in collaboration with travel agencies, local authorities and travel operators
  - Kumamoto, Miyazaki and Kagoshima Destination Campaign (from October to December, 2011)

(Effects of reducing travel time)

Route and Travel time	Hiroshima	Okayama	Shin-Osaka
Kumamoto	1 hour 37minutes (52 minutes )	2 hours 14minutes (52 minutes )	2 hours 59minutes (58 minutes )
Kagoshima-Chuo	2 hours 23minutes (71 minutes )	2 hours 59minutes (72 minutes )	3 hours 45minutes (77 minutes )

\*Times are for fastest "Mizuho" Shinkansen.

Times in parenthesis represent the reduction in travel time following the establishment of direct services.



<Green car>



<Ordinary car reserved seats>



<Powder room>



Kumamoto, Miyazaki and Kagoshima Destination Campaign

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

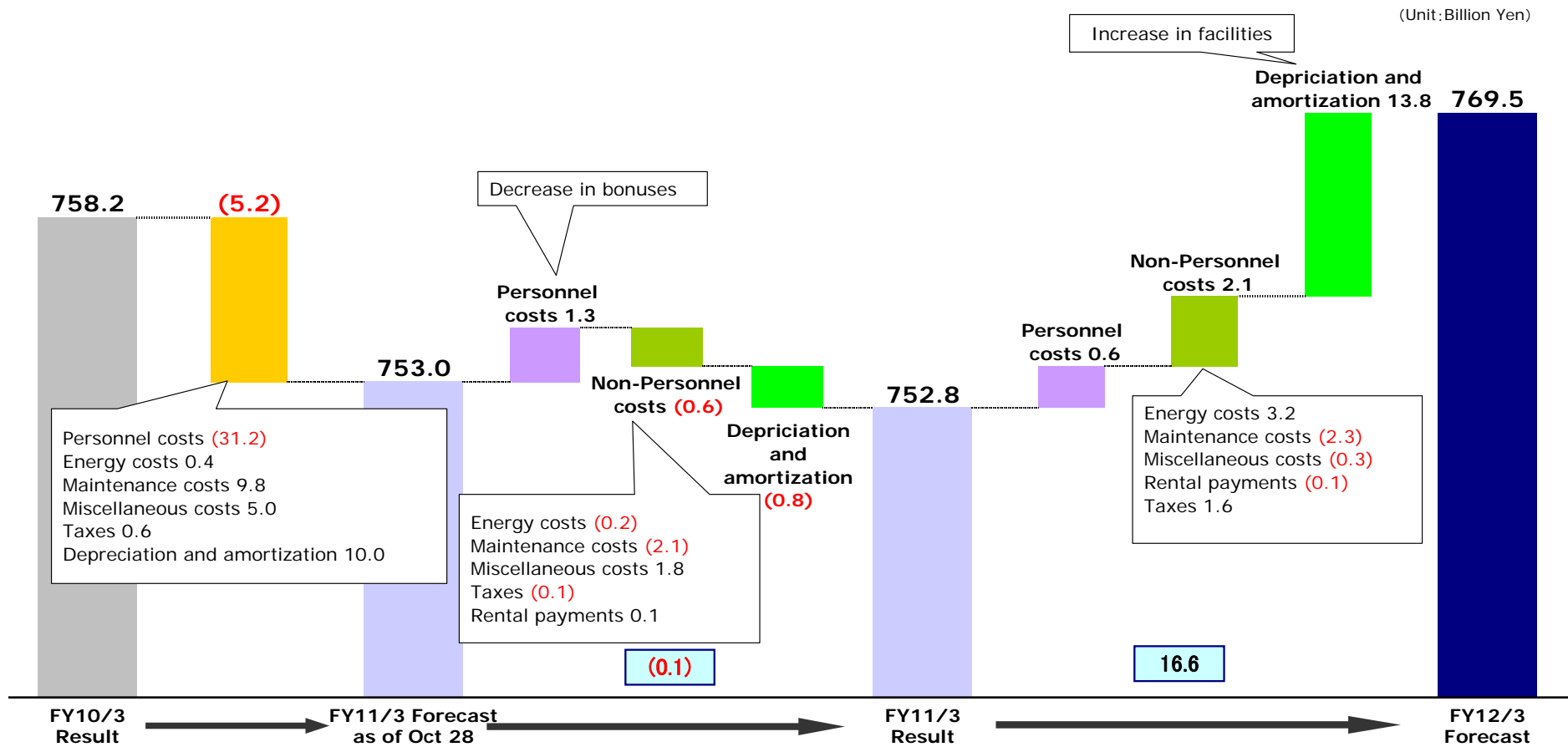
(Unit: Billion Yen)

Item	Results for fiscal year ended March 31, 2011			Forecasts for fiscal year ending March 31, 2012		
	YOY		Major factors	YOY		Major factors
	Increase/(Decrease)	%		Increase/(Decrease)	%	
Personnel costs	(29.9)	(11.3)	•Expiration of amortization of net retirement benefits obligation at transition (30.1)	0.6	0.3	•Increase in amortization of accumulated unrecognized actuarial differences due to revision of basic rate of retirement benefits obligation 0.8
Energy costs	0.1	0.4	•Increase in fuel price, etc	3.2	9.7	•Increase in fuel price 2.0 •Increase in train-kilometer 0.9
Maintenance costs	7.7	6.0	•Increase in maintenance work contributed by third parties 2.8 •Increase in removal costs of buildings such as company housing 1.8 •Increase in maintenance costs for structures 1.5, etc.	(2.3)	(1.7)	•Decrease in removal costs of buildings such as company housing (1.7) •Decrease in costs for timetable revision (0.3)
Miscellaneous costs	6.9	4.4	•Increase in payments for other JR companies 2.2 •Increase in sales charge 1.2 •Increase in advertising expenses 1.1 •Increase in system related costs 0.7 etc.	(0.3)	(0.2)	
Taxes	0.4	1.6	•Increase in property taxes, etc.	1.6	5.6	•Increase in property taxes, etc.
Depreciation and amortization	9.1	7.6	•Increase in facilities	13.8	10.8	•Increase in facilities
Total	(5.4)	(0.7)		16.6	2.2	

Note: Figures in bracket() are negative values.



## 8. Result and Forecast of Operating Expenses (Non-consolidated)



# 9. OSAKA STATION CITY - Grand opening on May 4

## Overview of "OSAKA STATION CITY"



OSAKA STATION CITY



NORTH GATE BUILDING



<Existing area>

- HOTEL GRANVIA OSAKA
- DAIMARU Umeda

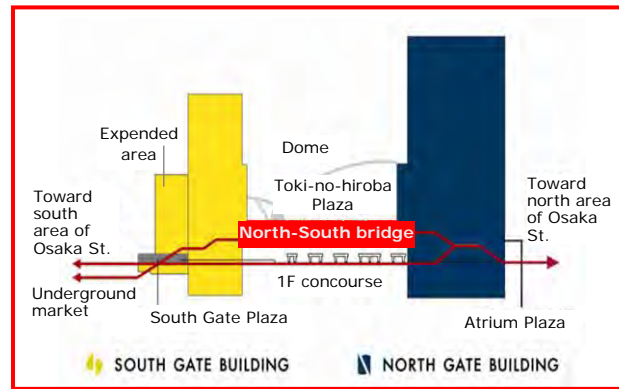
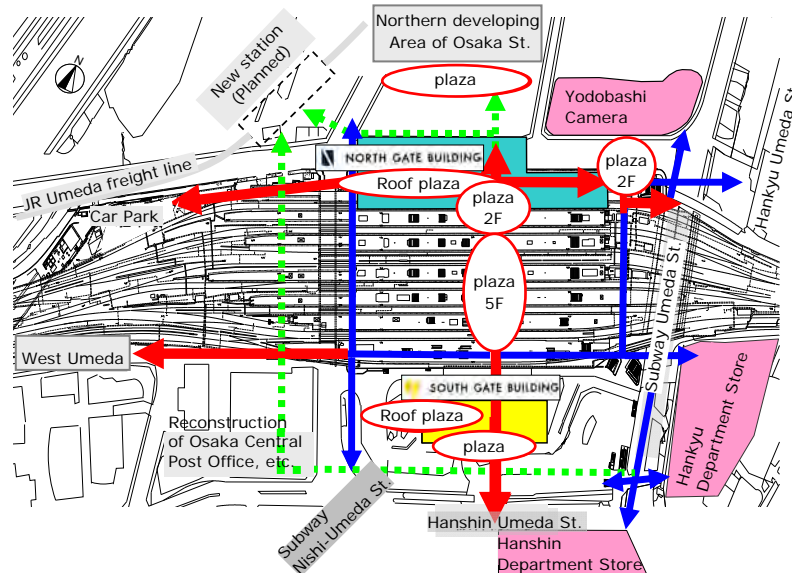
<Expanded area>

- DAIMARU Umeda (B2F-15F)

- Office tower (14F-27F)
- LAGUNAVEIL (Restaurant, Wedding: 28F)

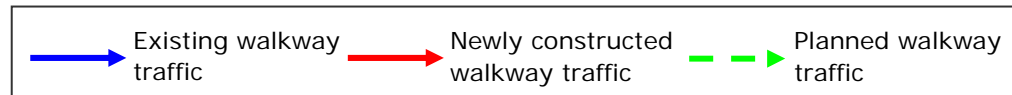
- ISETAN MITSUKOSHI (B2F-10F)
- LUCUA (B1F-10F)
- OSAKA STATION CITY CINEMA (Cinema complex: 11F)
- (Nursery: 11F)
- GRANCISE (Sports club: 12-13F)
- LUCUA DINING eat PARADISE (10F)

## Improvement of accessibility



### <North-South Root>

Providing easier-to-walk around environment in and around Osaka Station by connecting north and south sides with various plazas and bridges.



# 10. Non-Transportation Business - 1

## Retail business

(Unit: Billion Yen)

	FY10/3 Result	FY11/3 Result	YOY	FY12/3 Forecast	YOY
Operating Revenues*	201.9	201.3	(0.6)	250.3	48.9
Operating Income	3.1	3.5	0.4	(0.5)	(4.0)

\*Operating revenues are the revenues from third parties (= customers).

### 【Department store】

#### (Opening of JR Osaka Mitsukoshi Isetan)

○Feature:

First opening store with double name of Mitsukoshi and Isetan

Sales areas divided by customers' lifestyle and scene

Car park (Only department store in Osaka providing complimentary service for customers)

○Sales target in the first fiscal year: 55 billion yen

### 【Sales of goods and food services】

#### (Enhancement of the value of our railway belts)

○Store renewal with improvement of Sannomiya station

[Constructing period : April 2011 – end of FY12/3]

○Store renewal with improvement of Shin-Osaka station

[Constructing period : March 2010 – end of FY12/3]

#### (Newly open of business hotel "Via-inn")

○ "Via-inn Akihabara"

▪ Open date: March 18, 2011

▪ Place: about 3 minutes from JR Akihabara station on foot

▪ Area: approx. 4,800m<sup>2</sup> (25 floors)

▪ Number of rooms: 284

(incl. 259 single rooms)



○ "Via-inn Shinsaibashi"

▪ Open date: April 29, 2011

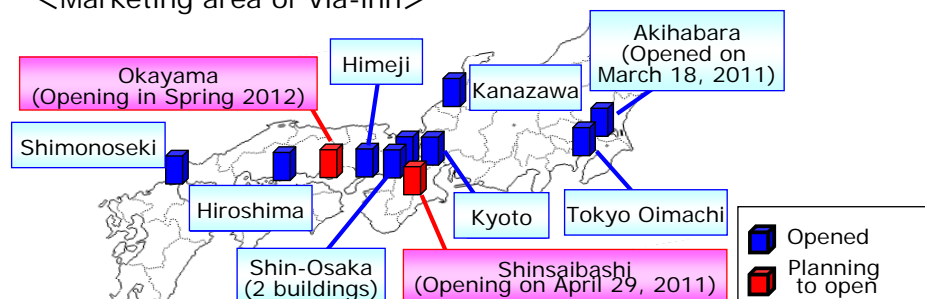
▪ Place: about 2 minutes from subway Shinsaibashi station on foot

▪ Area: approx. 4,900m<sup>2</sup> (12 floors)

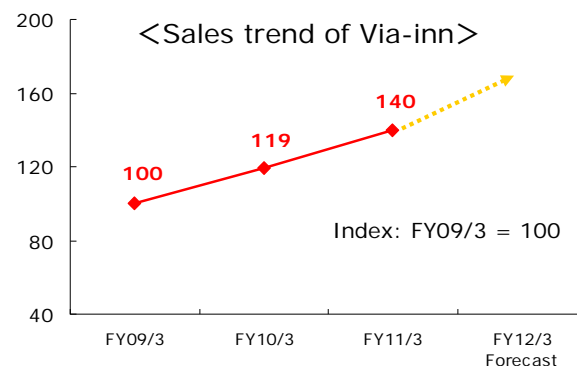
▪ Number of rooms: 205 (incl. 184 single rooms)



<Marketing area of Via-inn>



Planning to open new hotels along the Tokaido and the Sanyo Shinkansen, such as Tokyo area and Okayama



# 11. Non-Transportation Business - 2

## Real estate business

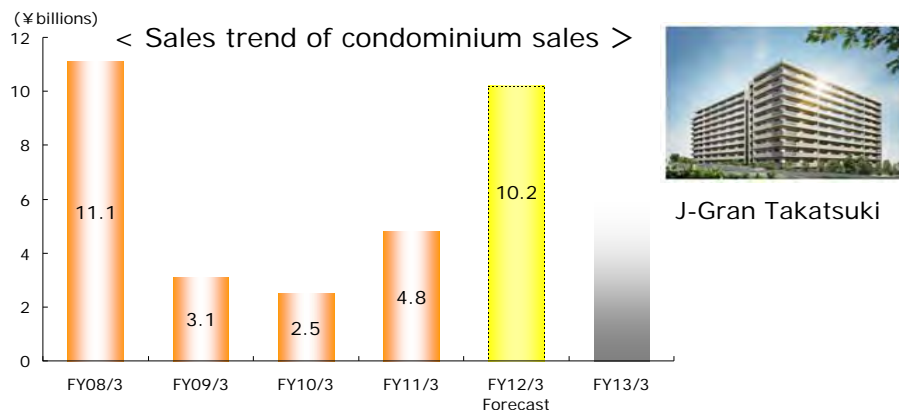
(Unit: Billion Yen)

	FY10/3 Result	FY11/3 Result	YOY	FY12/3 Forecast	YOY
Operating Revenues*	70.9	75.7	4.8	91.3	15.5
Operating Income	22.5	22.2	(0.2)	24.0	1.7

\*Operating revenues are the revenues from third parties (= customers).

### 【Real estate lease and sale】

#### (Results and forecasts of condominiums)



Name	Location	Month of handover	Houses
States-Gran Shukugawa	Nishinomiya, Hyogo	June 2010	35
J-Gran Sumakaihinkoen	Kobe, Hyogo	March 2011	184
J-Gran Abenomatsuzakicho	Abeno, Osaka	July 2011 (Planned)	100
J-Gran Abeno East	Abeno, Osaka	Nov. 2011 (Planned)	86
J-Gran Takatsuki	Takatsuki, Osaka	March 2012 (Planned)	160
J-Gran Suitasenrioka	Suita, Osaka	July 2012 (Planned)	117

### 【Shopping Center】

#### (Opening of LUCUA)

○Feature:

Roughly half of total stores are new in Japan, Kansai or Osaka.

Common service with JR Osaka Mitsukoshi Isetan

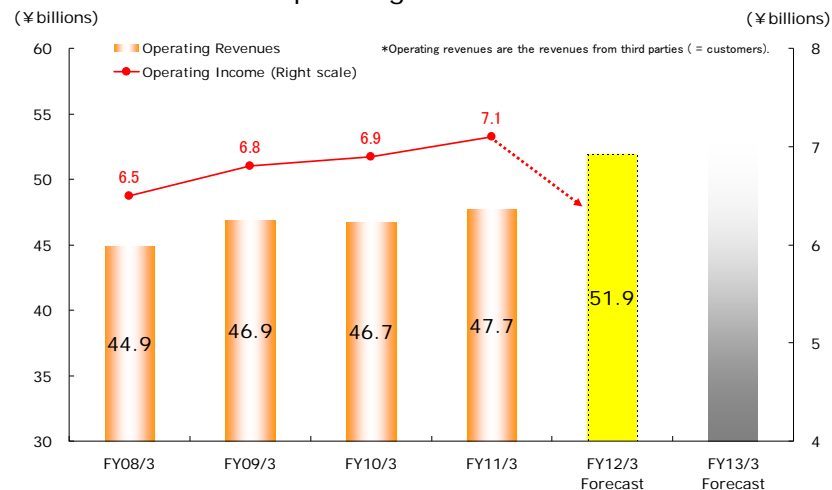
(Drop off service of baggies and wheel char, Point service for JRMI Card)

○ Sales target of tenants in the first fiscal year: 25 billion yen



LUCUA

#### <Trend of operating revenues and income>



## 12. Non-Transportation Business - 3

### Other businesses

(Unit: Billion Yen)

	FY10/3 Result	FY11/3 Result	YOY	FY12/3 Forecast	YOY
Operating Revenues*	119.6	129.9	10.2	117.0	(12.9)
Operating Income	6.7	9.6	2.9	5.8	(3.8)

\*Operating revenues are the revenues from third parties (= customers).

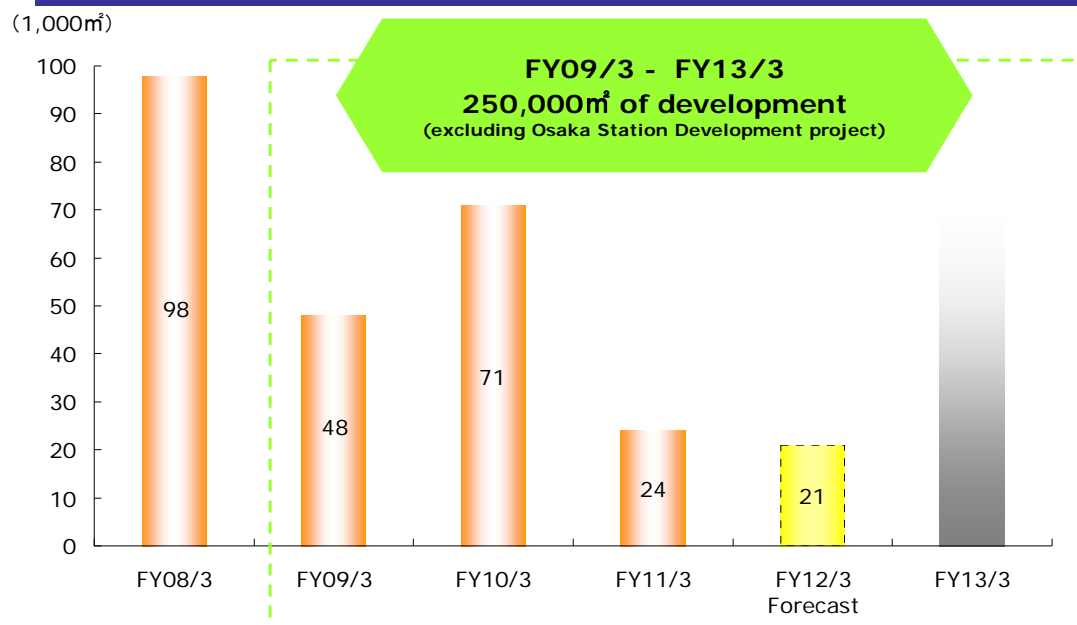
#### 【Hotel business】

Executive rooms on 27<sup>th</sup> floor in Hotel Granvia Osaka

- Opening in spring 2012 (Refurbish from restraunt floor)
- 68 rooms (42 twin rooms and 26 double rooms)
- One of the highest class rooms, commemorating the opening of OSAKA STATION CITY and Northern Area of Osaka station.



### Results and Plan for Development in and around Stations



#### (Major projects)

##### Fiscal year ended March 2011

- Development in Nara station (October 2010)
- " PLiE Himeji " (March 2011)
- "Rinto" in Kanazawa (March 2011)

##### Fiscal year ending March 2012

- Via-inn Shinsaibashi (April 29, 2011)
- Development of stores in central concourse in Shin-Osaka station
- Development of stores in Sannomiya station
- Development of the site of former Kyoto Yayoi Kaikan



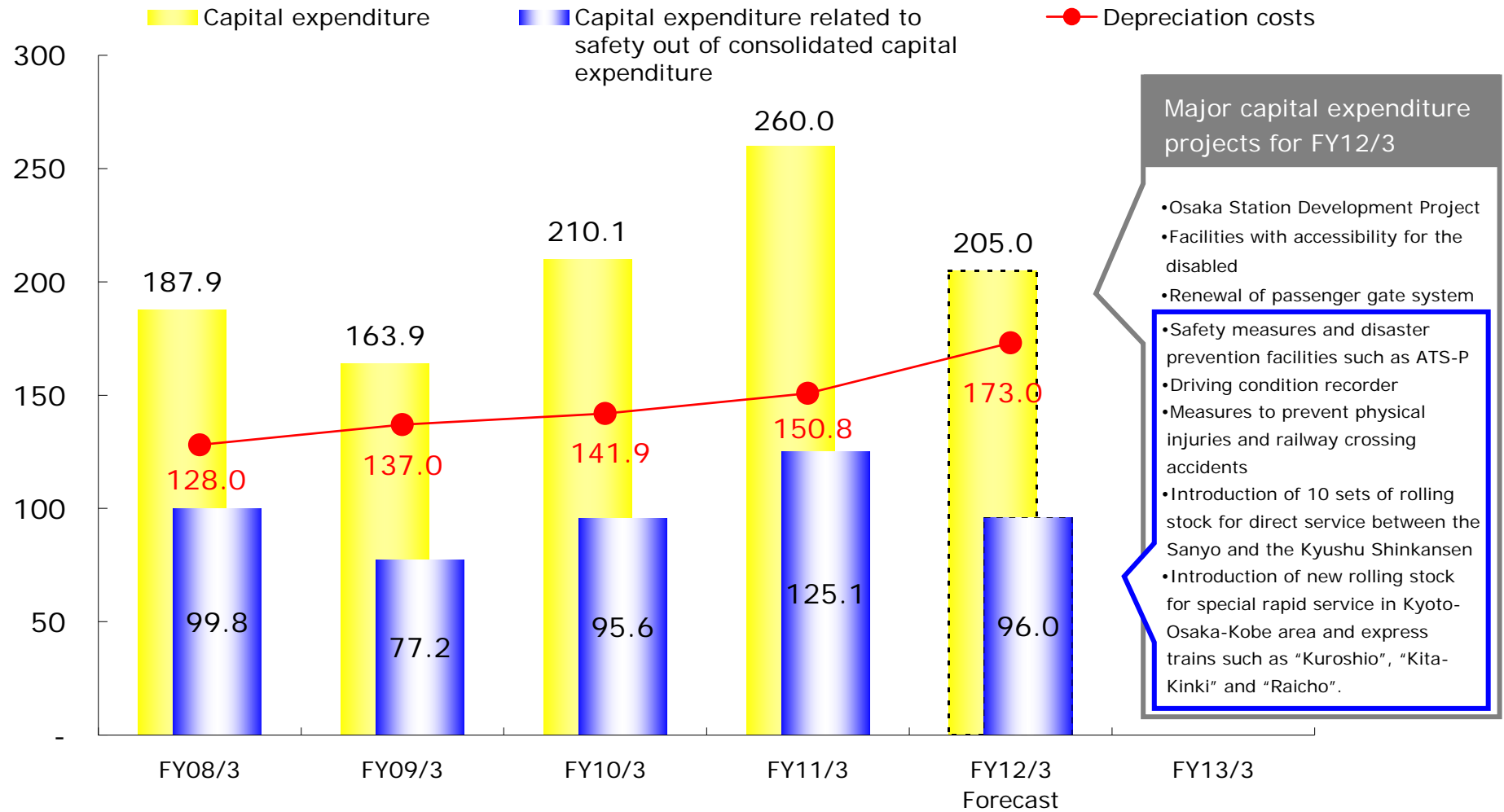
"Rinto"



" PLiE Himeji "

# 13. Capital Expenditure Plan (Consolidated)

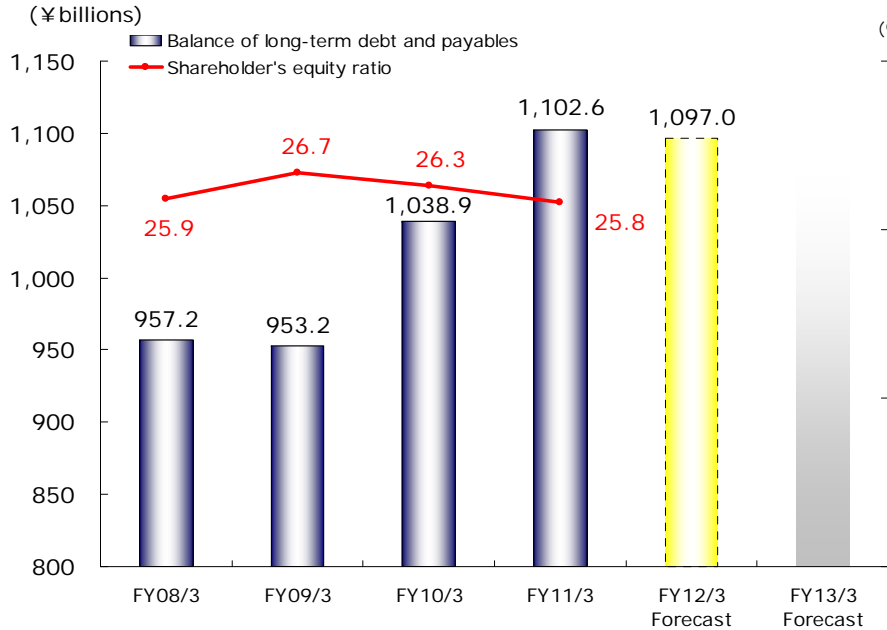
(¥ billions)



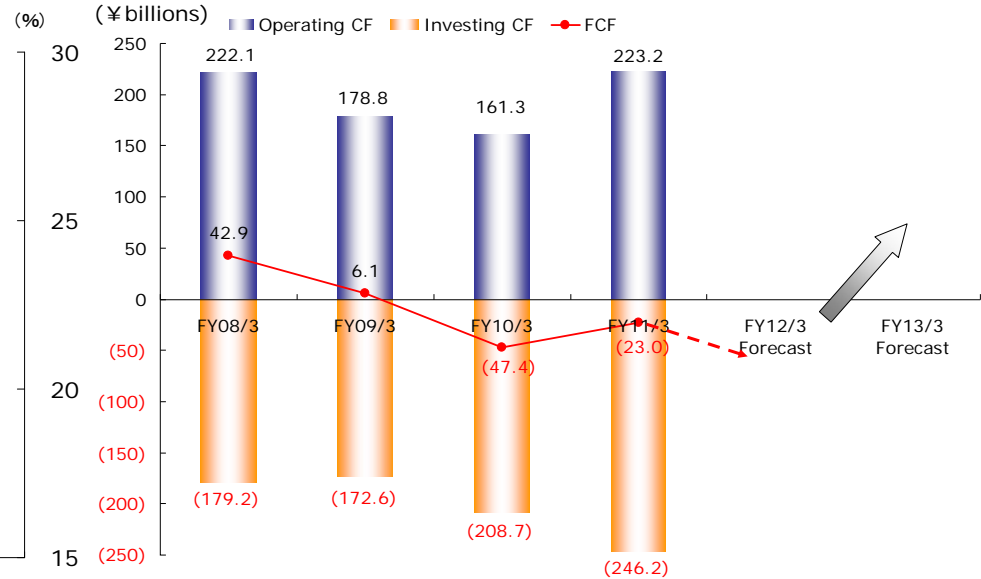
**FY09/3 -FY13/3 ¥980 billion**  
**(Safty-related CAPEX: ¥430 billion)**

# 14. Finance and Cash Flow Strategies

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



## Cash flow trend (consolidated)



(Unit: ¥ billion)

	FY11/3		FY12/3	
	Result	YOY	Forecast	YOY
Balance of long-term debt and payables	1,102.6	63.6	1,097.0	(5.6)
Shareholder's equity ratio	25.8%	(0.5 point)	-	-

- Free cash flow improved in FY11/3 compared to FY10/3, due to increase in income before income taxes and deferred payment for construction work.
- Free cash flow will become worse again in FY12/3, but expected to greatly improve after that.

- Aim for consolidated DOE of 3% in FY13/3, on condition that our projects yield results
- Dividend of 8,000 yen per share is planned for FY12/3



# Cautionary Statement Regarding Forward-looking Statements

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- 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;
  - 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 2011 based on information available to JR-West as of April 2011 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.