

Results for the fiscal year ended March 2012 and Future Initiatives



May 2012
West Japan Railway Company

. Results for FY2012/3
and forecasts for FY2013/3

Financial Highlights



¥ Billions

	Result FY2011/3 A	Result FY2012/3 B	YOY		Forecast FY2013/3 C	YOY	
			Increase/ (Decrease) B-A	% 1-B/A		Increase/ (Decrease) C-B	% 1-C/B
【Consolidated】							
Operating Revenues	1,213.5	1,287.6	74.1	6.1	1,288.0	0.3	0.0
Operating Income	95.9	109.7	13.8	14.4	111.5	1.7	1.5
Recurring Profit	68.9	82.4	13.4	19.6	86.5	4.0	4.9
Net Income	34.9	29.4	(5.4)	(15.7)	51.0	21.5	72.9
【Non-Consolidated】							
Operating Revenues	828.6	862.1	33.5	4.0	862.5	0.3	0.0
Transportation Revenues	728.0	758.7	30.7	4.2	760.0	1.2	0.2
Operating Expenses	752.8	772.8	20.0	2.7	772.0	(0.8)	(0.1)
Personnel costs	235.3	237.9	2.6	1.1	233.5	(4.4)	(1.9)
Non personnel costs	333.4	339.5	6.1	1.8	347.5	7.9	2.3
Energy costs	33.7	36.2	2.5	7.5	39.5	3.2	9.0
Maintenance costs	135.8	133.3	(2.4)	(1.8)	135.0	1.6	1.2
Miscellaneous costs	163.8	169.9	6.0	3.7	173.0	3.0	1.8
Depreciation	129.1	140.7	11.6	9.0	135.0	(5.7)	(4.1)
Operating Income	75.8	89.2	13.4	17.8	90.5	1.2	1.4
Recurring Profit	48.5	62.8	14.3	29.6	66.0	3.1	5.0
Net Income	28.5	22.1	(6.3)	(22.3)	41.0	18.8	85.0

Note: Figures in bracket () are negative values.

Non-Consolidated Financial Results



¥ Billions

	Result FY2011/3 A	FY2012/3		YOY		Difference from the forecast Increase/ (Decrease) C-B
		Forecast (As of 1/27) B	Result C	Increase/ (Decrease) C-A	% 1-C/A	
Operating Revenues	828.6	864.0	862.1	33.5	4.0	(1.8)
Transportation revenues	728.0	762.0	758.7	30.7	4.2	(3.2)
Other	100.6	102.0	103.4	2.7	2.8	1.4
Operating Expenses	752.8	773.0	772.8	20.0	2.7	(0.1)
Personnel costs	235.3	237.5	237.9	2.6	1.1	0.4
Non personnel costs	333.4	339.0	339.5	6.1	1.8	0.5
Energy costs	33.7	37.0	36.2	2.5	7.5	(0.7)
Maintenance costs	135.8	134.5	133.3	(2.4)	(1.8)	(1.1)
Miscellaneous costs	163.8	167.5	169.9	6.0	3.7	2.4
Rental payments, etc.	25.1	23.6	23.6	(1.5)	(6.0)	0.0
Taxes	29.8	31.5	30.9	1.1	3.8	(0.5)
Depreciation	129.1	141.4	140.7	11.6	9.0	(0.6)
Operating Income	75.8	91.0	89.2	13.4	17.8	(1.7)
Non-operating revenues and expenses	(27.2)	(26.5)	(26.4)	0.8	(3.3)	0.0
Non-operating revenues	7.0	6.8	7.1	0.1	-	0.3
Non-operating expenses	34.3	33.3	33.5	(0.7)	-	0.2
Recurring Profit	48.5	64.5	62.8	14.3	29.6	(1.6)
Extraordinary profit and loss, net	(0.4)	(1.5)	(1.7)	(1.2)	-	(0.2)
Extraordinary profit	48.9	-	23.1	(25.7)	-	-
Extraordinary loss	49.4	-	24.8	(24.5)	-	-
Net Income	28.5	23.5	22.1	(6.3)	(22.3)	(1.3)

Note: Figures in bracket () are negative values.

Major Factors of Increase/Decrease in Transportation Revenues

¥ Billions

Result FY2012/3					
Transportation revenues		YOY Increase/(Decrease)		Major factors	
		Amount	%		Amount
Shinkansen	351.5	27.5	8.5	Fundamentals 0.2%	0.7
				Special factors	
				Direct service between the Sanyo and the Kyushu Shinkansen	15.0
				Rebound of the Great East Japan Earthquake	2.8
				Golden week · Summer holidays · Convenient holidays · Reap year effect	2.0
				Osaka Station City	1.7
				The Great East Japan Earthquake	(1.0)
				etc.	
Kyoto-Osaka-Kobe Area conventional lines	287.3	2.9	1.0	Fundamentals (0.4%)	(1.1)
				Special factors	
				Osaka Station City	3.0
				Rebound of the Great East Japan Earthquake	0.8
				Golden week · Summer holidays · Convenient holidays · Reap year effect	0.7
				The Great East Japan Earthquake	(0.6)
				Typhoons	(0.4)
				etc.	
Other conventional lines	119.8	0.2	0.2	Fundamentals (0.4%)	(0.4)
				Special factors	
				Rebound of the Great East Japan Earthquake	0.6
				Golden week · Summer holidays · Convenient holidays · Reap year effect	0.5
				Osaka Station City	0.2
				The Great East Japan Earthquake	(0.5)
				Typhoons	(0.4)
				etc.	
Conventional lines	407.2	3.1	0.8		
Total	758.7	30.7	4.2		

Note: Revenues from luggage transportation are omitted due to the small amount.

Figures in bracket() are negative values.

Transportation Revenues and Passenger-Kilometers



	Transportation Revenues						Passenger-Kilometers					
	Fiscal Year			3 months (4Q)			Fiscal Year			3 months (4Q)		
	FY2011/3	FY2012/3	YOY	FY2011/3	FY2012/3	YOY	FY2011/3	FY2012/3	YOY	FY2011/3	FY2012/3	YOY
Total	728.0	758.7	30.7 4.2%	176.1	184.8	8.6 4.9%	52,614	54,117	1,503 2.9%	12,525	12,943	418 3.3%
Shinkansen	323.9	351.5	27.5 8.5%	78.1	84.0	5.8 7.5%	15,546	16,878	1,331 8.6%	3,705	3,978	273 7.4%
Commuter Passes	8.9	8.9	(0.0) 0.0%	2.1	2.1	0.0 0.8%	718	722	4 0.6%	172	176	3 2.1%
Non-Commuter Passes	314.9	342.5	27.5 8.8%	76.0	81.8	5.8 7.7%	14,828	16,155	1,326 8.9%	3,532	3,802	269 7.6%
Conventional Lines	404.0	407.2	3.1 0.8%	97.9	100.7	2.7 2.8%	37,067	37,239	171 0.5%	8,820	8,965	144 1.6%
Commuter Passes	140.3	140.4	0.0 0.1%	33.6	33.6	0.0 0.2%	22,692	22,788	96 0.4%	5,273	5,340	66 1.3%
Non-Commuter Passes	263.6	266.7	3.0 1.2%	64.3	67.0	2.6 4.2%	14,374	14,450	75 0.5%	3,546	3,624	77 2.2%
Kyoto-Osaka-Kobe Area	284.4	287.3	2.9 1.0%	68.8	70.8	1.9 2.8%	28,047	28,218	171 0.6%	6,675	6,792	117 1.8%
Commuter Passes	113.3	113.4	0.1 0.1%	27.2	27.3	0.0 0.3%	18,352	18,440	87 0.5%	4,301	4,356	55 1.3%
Non-Commuter Passes	171.0	173.8	2.7 1.6%	41.6	43.4	1.8 4.5%	9,694	9,778	83 0.9%	2,373	2,436	62 2.6%
Other Lines	119.6	119.8	0.2 0.2%	29.1	29.9	0.8 2.8%	9,020	9,020	0 0.0%	2,145	2,172	27 1.3%
Commuter Passes	27.0	27.0	(0.0) (0.2%)	6.3	6.3	0.0 0.1%	4,340	4,348	8 0.2%	971	983	11 1.2%
Non-Commuter Passes	92.5	92.8	0.2 0.3%	22.7	23.5	0.8 3.5%	4,680	4,672	(7) (0.2%)	1,173	1,188	15 1.3%

Note: Figures in bracket () are negative values.

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



¥ Billions

Item	Result FY2012/3			
		YOY		Major factors
		Increase/ (Decrease)	%	
Personnel costs	237.9	2.6	1.1	· Increase in amortization of accumulated unrecognized actuarial differences due to revision of basic rate of retirement benefits obligation 0.8, etc.
Energy costs	36.2	2.5	7.5	· Increase in fuel price, etc.
Maintenance costs	133.3	(2.4)	(1.8)	· Decrease in maintenance work contributed by third parties (2.6), etc.
Miscellaneous costs	169.9	6.0	3.7	· Increase in payments for other JR companies 3.2 · Increase in sales charge 1.6 · Increase in system related costs 0.9, etc.
Rental payments, etc	23.6	(1.5)	(6.0)	· Decrease in rental payments of Tozai line
Taxes	30.9	1.1	3.8	· Decrease in property taxes, etc.
Depreciation and amortization	140.7	11.6	9.0	· Increase in facilities
Total	772.8	20.0	2.7	

Note: Figures in bracket() are negative values.

Consolidated Financial Results



¥ Billions

	Result FY2011/3 A	FY2012/3		YOY		Difference from the forecast Increase/ (Decrease) C-B
		Forecast (As of 1/27) B	Result C	Increase/ (Decrease) C-A	% 1-C/A	
Operating Revenues	1,213.5	1,289.0	1,287.6	74.1	6.1	(1.3)
Operating Expenses	1,117.5	1,181.5	1,177.8	60.3	5.4	(3.6)
Operating Income	95.9	107.5	109.7	13.8	14.4	2.2
Non-operating revenues and expenses	(27.0)	(28.0)	(27.3)	(0.3)	-	0.6
Non-operating revenues	9.4	7.9	7.9	(1.5)	(16.0)	0.0
Non-operating expenses	36.5	35.9	35.2	(1.2)	(3.3)	(0.6)
Recurring Profit	68.9	79.5	82.4	13.4	19.6	2.9
Extraordinary profit and loss, net	(7.9)	(2.5)	(2.2)	5.7	-	0.2
Extraordinary profit	51.1	-	27.6	(23.5)	(46.0)	-
Extraordinary loss	59.0	-	29.8	(29.2)	(49.5)	-
Net Income	34.9	28.5	29.4	(5.4)	(15.7)	0.9
<i>Comprehensive Income</i>	33.8	-	27.6	(6.1)	(18.2)	-

Note: Figures in bracket () are negative values.

Consolidated Financial Results (Segment Information)



¥ Billions

	Result FY2011/3 A	FY2012/3		YOY		Difference from the forecast
		Forecast (As of 1/27) B	Result C	Increase/ (Decrease) C-A	% 1-C/A	Increase/ (Decrease) C-B
Operating Revenues* ¹	1,213.5	1,289.0	1,287.6	74.1	6.1	(1.3)
Transportation	806.4	841.9	839.0	32.6	4.0	(2.8)
Sales of goods and food services	201.3	233.9	233.5	32.2	16.0	(0.3)
Sales of goods and food services	132.2	133.8	133.4	1.2	0.9	(0.3)
Department stores	63.4	94.7	94.9	31.5	49.7	0.2
Real estate	75.7	93.9	93.5	17.8	23.5	(0.3)
Shopping center	47.7	54.5	54.3	6.6	13.9	(0.1)
Real estate lease and sale* ³	26.4 【4.8】	37.7 【10.5】	37.6 【10.7】	11.2	42.6	(0.0)
Other businesses	129.9	119.3	121.4	(8.4)	(6.5)	2.1
Hotel	32.4	32.0	32.1	(0.2)	(0.9)	0.1
Nippon Travel Agency	39.4	36.8	37.2	(2.2)	(5.6)	0.4
Operating Income* ²	95.9	107.5	109.7	13.8	14.4	2.2
Transportation	61.1	78.2	76.7	15.5	25.5	(1.4)
Sales of goods and food services	3.5	(3.4)	(2.9)	(6.5)	-	0.4
Sales of goods and food services	2.8	-	3.1	0.2	8.6	-
Department stores	0.4	-	(6.3)	(6.8)	-	-
Real estate	22.2	25.1	25.9	3.7	16.8	0.8
Shopping center	7.1	-	8.2	1.0	14.5	-
Real estate lease and sale	2.4	-	6.3	3.9	158.0	-
Other businesses	9.6	8.2	10.3	0.7	7.3	2.1
Hotel	1.5	-	1.6	0.1	7.5	-
Nippon Travel Agency	0.3	-	0.3	0.0	25.6	-

Note: Figures in bracket () are negative values.

*¹ Operating revenues are the revenues from third parties (= customers).

The breakdowns of operating revenues by each segment are the sums of revenues of major subsidiaries.

*² The breakdowns of operating income by each segment are the sums of incomes of major subsidiaries before eliminating internal transactions.

*³ Figures in bracket [] are the sales of condominiums. (Included in Real estate lease and sale)

Non-Consolidated Financial Forecasts

¥ Billions

	Result FY2012/3 A	Forecast FY2013/3 B	YOY	
			Increase/ (Decrease)	%
			B-A	1-B/A
Operating Revenues	862.1	862.5	0.3	0.0
Transportation revenues	758.7	760.0	1.2	0.2
Other	103.4	102.5	(0.9)	(0.9)
Operating Expenses	772.8	772.0	(0.8)	(0.1)
Personnel costs	237.9	233.5	(4.4)	(1.9)
Non personnel costs	339.5	347.5	7.9	2.3
Energy costs	36.2	39.5	3.2	9.0
Maintenance costs	133.3	135.0	1.6	1.2
Miscellaneous costs	169.9	173.0	3.0	1.8
Rental payments, etc.	23.6	23.6	(0.0)	(0.1)
Taxes	30.9	32.4	1.4	4.6
Depreciation	140.7	135.0	(5.7)	(4.1)
Operating Income	89.2	90.5	1.2	1.4
Non-operating revenues and expenses	(26.4)	(24.5)	1.9	-
Non-operating revenues	7.1	6.5	(0.6)	-
Non-operating expenses	33.5	31.0	(2.5)	-
Recurring Profit	62.8	66.0	3.1	5.0
Extraordinary profit and loss, net	(1.7)	-	-	-
Extraordinary profit	23.1	-	-	-
Extraordinary loss	24.8	-	-	-
Net Income	22.1	41.0	18.8	85.0

Note: Figures in bracket () are negative values.

Transportation Revenue Forecasts

¥ Billions

	Result FY2012/3 A	Forecast FY2013/3 B	YOY	
			Increase/ (Decrease) B-A	% 1-B/A
Shinkansen	351.5	353.5	2.0	0.6
Kyoto-Osaka-Kobe Area lines	287.3	286.7	(0.5)	(0.2)
Other lines	119.8	119.6	(0.2)	(0.2)
Conventional lines	407.2	406.4	(0.8)	(0.2)
Transportation revenues	758.7	760.0	1.2	0.2

Note: Figures in bracket () are negative values.

Operating Expenses Forecasts (Non-Consolidated)



¥ Billions

Item	Forecast FY2013/3			Major factors
		YOY		
		Increase/ (Decrease)	%	
Personnel costs	233.5	(4.4)	(1.9)	· Decrease in amortization of accumulated unrecognized actuarial differences due to revision of basic rate of retirement benefits obligation, etc.
Energy costs	39.5	3.2	9.0	· Increase in fuel price, etc.
Maintenance costs	135.0	1.6	1.2	· Increase in removal costs, etc.
Miscellaneous costs	173.0	3.0	1.8	· Increase in system related costs, etc.
Rental Payments, etc	23.6	(0.0)	(0.1)	
Taxes	32.4	1.4	4.6	· Increase in property taxes, etc.
Depreciation and amortization	135.0	(5.7)	(4.1)	· Decrease in the conclusion of the additional depreciation of residual value related to the change in the system of depreciation in 2007, etc.
Total	772.0	(0.8)	(0.1)	

Note: Figures in bracket() are negative values.

Consolidated Financial Forecasts



¥ Billions

	Result FY2012/3 A	Forecast FY2013/3 B	YOY	
			Increase/ (Decrease) B-A	% 1-B/A
Operating Revenues	1,287.6	1,288.0	0.3	0.0
Operating Expenses	1,177.8	1,176.5	(1.3)	(0.1)
Operating Income	109.7	111.5	1.7	1.5
Non-operating revenues and expenses	(27.3)	(25.0)	2.3	-
Non-operating revenues	7.9	7.0	(0.9)	-
Non-operating expenses	35.2	32.0	(3.2)	-
Recurring Profit	82.4	86.5	4.0	4.9
Extraordinary profit and loss, net	(2.2)	(2.0)	0.2	-
Extraordinary profit	27.6	-	-	-
Extraordinary loss	29.8	-	-	-
Net Income	29.4	51.0	21.5	72.9
Net income per share (¥)	152.29	263.37	-	-

Note: Figures in bracket () are negative values.

Consolidated Financial Forecasts (Segment Information)

¥Billions

	Result FY2012/3	Forecast FY2013/3	YOY	
			Increase/ (Decrease)	%
			B-A	1-B/A
	A	B		
Operating Revenues* ¹	1,287.6	1,288.0	0.3	0.0
Transportation	839.0	839.4	0.3	0.0
Sales of goods and food services	233.5	235.8	2.2	1.0
Sales of goods and food services	133.4	133.7	0.2	0.2
Department stores	94.9	97.6	2.6	2.8
Real estate	93.5	89.5	(4.0)	(4.4)
Shopping center	54.3	54.3	(0.0)	(0.1)
Real estate lease and sale* ³	37.6 【10.7】	33.7 【6.5】	(3.9)	(10.5)
Other businesses	121.4	123.3	1.8	1.5
Hotel	32.1	32.9	0.7	2.4
Nippon Travel Agency	37.2	38.8	1.5	4.2
Operating Income* ²	109.7	111.5	1.7	1.5
Transportation	76.7	78.0	1.2	1.6
Sales of goods and food services	(2.9)	(2.4)	0.5	-
Real estate	25.9	26.0	0.0	0.0
Other businesses	10.3	10.2	(0.1)	(1.7)

Note: Figures in bracket () are negative values.

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

The breakdowns of operating revenues by each segment are the sums of revenues of major subsidiaries.

*2 The breakdowns of operating income by each segment are the sums of incomes of major subsidiaries before eliminating internal transactions

*3 Figures in bracket [] are the sales of condominiums. (Included in Real estate lease and sale)

Consolidated Financial Situation and Statements of Cash Flows

¥ Billions

	As of March 31, 2011 A	As of March 31, 2012 B	Difference increase/ (decrease) B-A
Assets	2,672.4	2,642.9	(29.4)
Liabilities	1,951.1	1,909.4	(41.7)
Net assets	721.2	733.5	12.2
Balance of Long-term Debt and Payables at the end of FY	1,102.6	1,068.8	(33.7)
[Average interest rate (%)]	【2.97】	【2.86】	-
Shinkansen Purchase Liability	322.9	284.5	(38.4)
[Average interest rate (%)]	【5.46】	【5.56】	-
Bonds	444.9	454.9	10.0
[Average interest rate (%)]	【2.09】	【2.07】	-
Equity ratio (%)	25.8	26.6	-
Net assets per share (¥) ^{*1}	3,557.13	3,632.41	-

*1 The Company conducted a stock split on July 1, 2011, at a ratio of 100 ordinary shares for each ordinary share.

	Result FY2011/3 A	Result FY2012/3 B	YOY increase/ (decrease) B-A
Cash flows from operating activities	223.2	206.2	(16.9)
Cash flows from investing activities	(246.2)	(199.1)	47.1
Free cash flows	(23.0)	7.0	30.1
Cash flows from financing activities	51.4	(36.8)	(88.2)
Change in cash and cash equivalents, net	28.4	(29.1)	(57.5)
Cash and cash equivalents at the end of the period	79.5	50.3	(29.1)

Note: Figures in bracket () are negative values.

Other Data

Persons, ¥ Billions

	Result FY2011/3	Result FY2012/3	Forecast FY2013/3
ROA (% , Consolidated)	3.7	4.1	4.2
ROE (% , Consolidated)	5.2	4.2	7.1
EBITDA (Consolidated) *1	246.8	279.1	274.5
Depreciation (Consolidated)	150.8	169.3	163.0
Capital Expenditure (Consolidated, own fund)	260.0	195.4	157.0
Capital Expenditure (Non-consolidated, own fund)	208.5	150.8	127.0
Safety related capital expenditure	125.1	97.7	69.0
Dividends per share (¥)*2	8,000	90	100

*1 EBITDA = Operating Income + Depreciation

*2 The Company conducted a stock split on July 1, 2011, at a ratio of 100 ordinary shares for each ordinary share.

	Result FY2011/3		Result FY2012/3		Forecast FY2013/3	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	45,703	26,705	45,402	26,778	-	-
Financial Expenses, net	(33.3)	(32.1)	(32.4)	(31.2)	(30.2)	(29.0)
Interest and dividend income	0.4	1.3	0.4	1.4	0.4	1.3
Interest expenses	33.7	33.4	32.9	32.6	30.7	30.4

Note: Figures in bracket () are negative values.

Redemption Plan of Shinkansen Purchase Liability

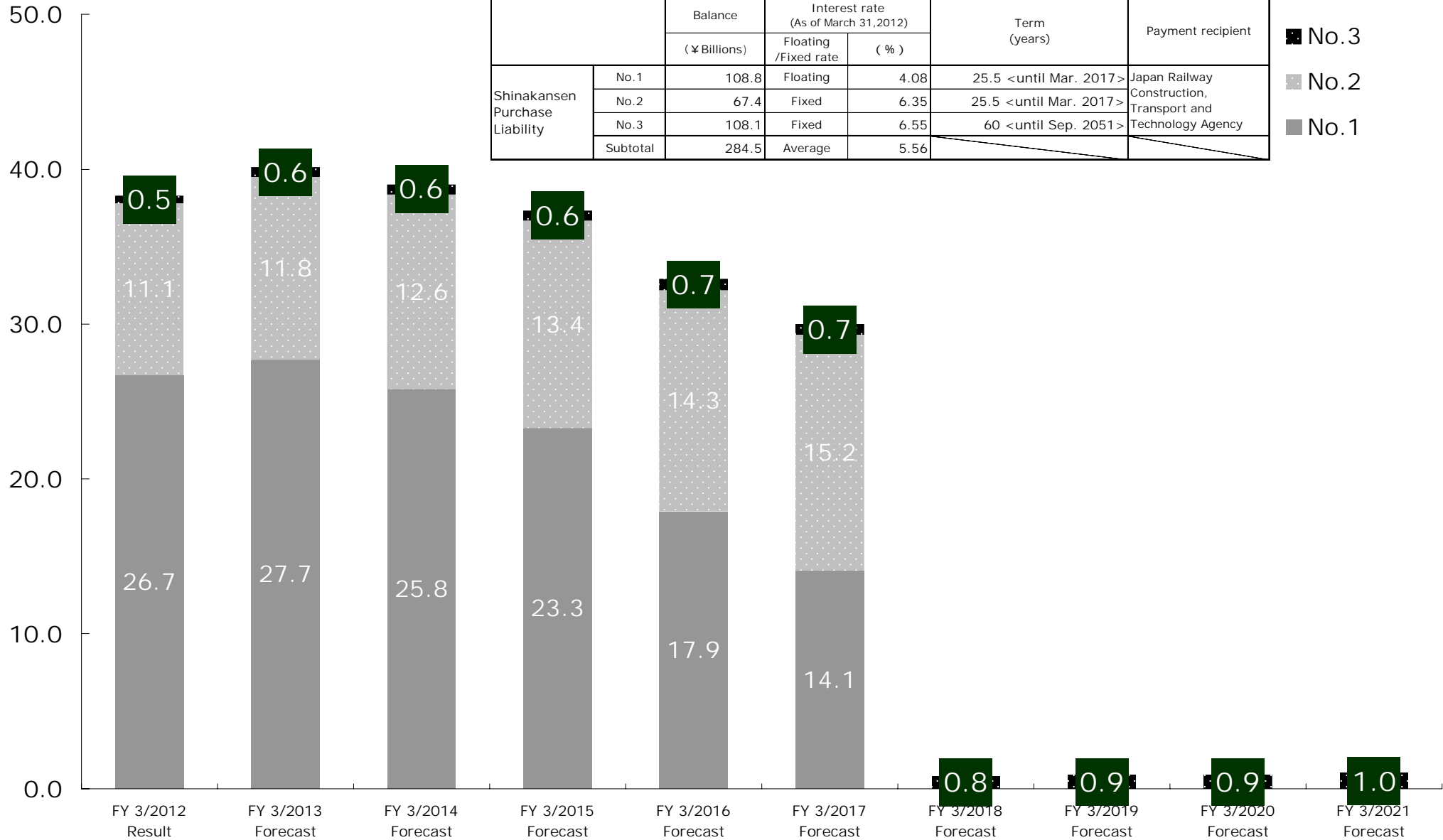


¥ Billions

[As of March 31, 2012]

		Balance (¥ Billions)	Interest rate (As of March 31, 2012)		Term (years)	Payment recipient
			Floating /Fixed rate	(%)		
Shinkansen Purchase Liability	No.1	108.8	Floating	4.08	25.5 <until Mar. 2017>	Japan Railway Construction, Transport and Technology Agency
	No.2	67.4	Fixed	6.35	25.5 <until Mar. 2017>	
	No.3	108.1	Fixed	6.55	60 <until Sep. 2051>	
	Subtotal	284.5	Average	5.56		

- No.3
- No.2
- No.1



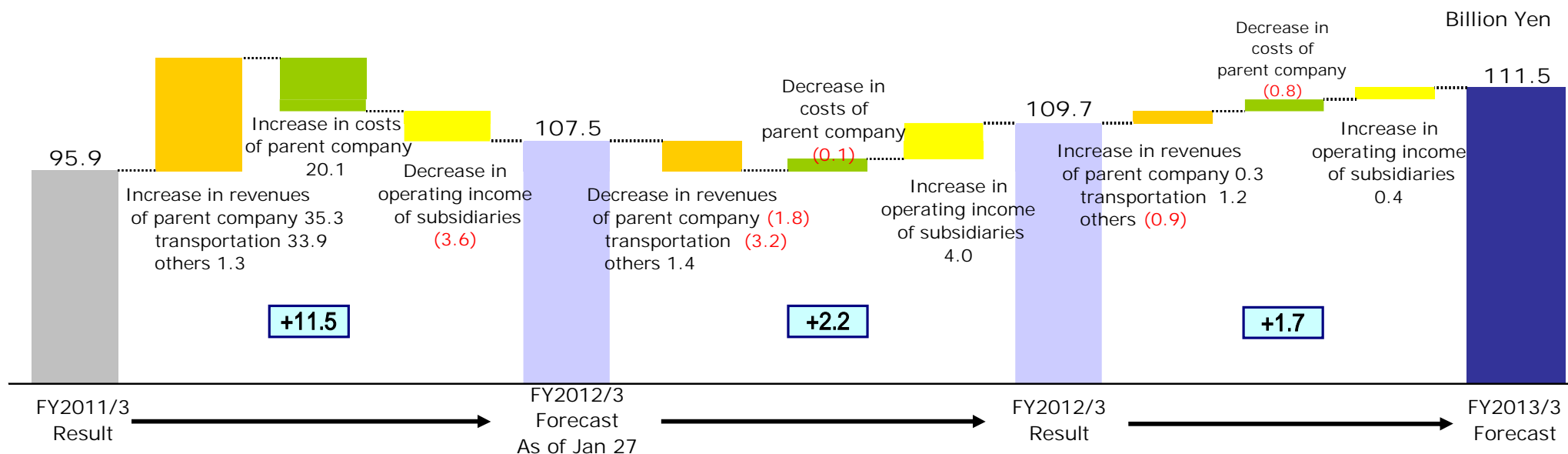
. Future initiatives

Consolidated Financial Results and Forecasts

Billion Yen

	FY2012/3		FY2013/3			
	YOY Increase/(Decrease)		YOY Increase/(Decrease)			
	Amount	%	Amount	%		
Operating Revenues	1,287.6	74.1	6.1	1,288.0	0.3	0.0
Operating Expenses	1,177.8	60.3	5.4	1,176.5	(1.3)	(0.1)
Operating Income	109.7	13.8	14.4	111.5	1.7	1.5
Recurring Profit	82.4	13.4	19.6	86.5	4.0	4.9
net Income	29.4	(5.4)	(15.7)	51.0	21.5	72.9

Trend of consolidated operating income



Financial Results and Forecasts during Medium-Term Management Plan



Billion Yen

	FY09/3 Result	FY10/3 Result	FY11/3 Result	FY12/3 Result	FY13/3 Forecast as of Apr 2012	FY13/3 Forecast as of Oct 2010
Operating Revenues	1,275.3	1,190.1	1,213.5	1,287.6	1,288.0	1,300.0
Transportation	856.1	797.4	806.4	839.0	839.4	824.5
Retail	215.3	201.9	201.3	233.5	235.8	258.5
Real Estate	71.1	70.9	75.7	93.5	89.5	88.0
Other businesses	132.6	119.6	129.9	121.4	123.3	129.0
Operating Income	122.5	76.5	95.9	109.7	111.5	95.5
Transportation	89.1	45.2	61.1	76.7	78.0	59.0
Retail	4.7	3.1	3.5	(2.9)	(2.4)	2.5
Real Estate	22.6	22.5	22.2	25.9	26.0	26.5
Other businesses	6.7	6.7	9.6	10.3	10.2	9.0
Recurring Profit	94.8	48.1	68.9	82.4	86.5	68.0
Net Income	54.5	24.8	34.9	29.4	51.0	38.5
Transportation Revenues	773.7	720.0	728.0	758.7	760.0	740.0
ROA	5.0%	3.1%	3.7%	4.1%	4.2%	3.6%
ROE	8.4%	3.7%	5.2%	4.2%	7.1%	5.4%
EBITDA	259.5	218.4	246.8	279.1	274.5	266.0

Note: All the figures are the revenues from third parties (= customers).

The breakdowns of operating income by each segment are the sums of incomes of major subsidiaries before eliminating internal transactions.

Transportation revenues mean the railway revenues of JR-West included in operating revenues of "transportation" segment

Environment

Market : Population decrease and aging society, uncertain outlook for the global economy, and shortage of electric power

Competition : Launching operation by LCCs (Low Cost Carriers)

JR-West : Second year of two major projects, persistent act on safety, preparation for the Hokuriku Shinkansen

Initiatives in FY2013/3

JR-West will steadily proceed initiatives for realization of company philosophy and management vision in the FY2013/3, which is the last fiscal year of Medium-Term Management plan and basic safety plan, regardless of the challenging environment.

Safety, customer satisfaction, human resources

Further promotion for measures to improve safety

- Accomplish the current "Basic Safety Plan" and prepare for the next plan

- Provide safe and reliable transportation service

Measures to improve customer services

Development of human resources

Implementation of Medium-term Management Plan

Two major projects

(Direct service between the Sanyo and Kyushu Shinkansen, OSAKA STATION CITY)

- Undertake initiatives taking customer demand and market trend into consideration

Coexistence with local communities

(Enhancement of the value of our railway belts, Realization of plus-sum)

- Create more pleasant and convenient "living space"

Innovation by technology

- Promote system change of railway operation

Thinking and acting based on the field

CSR, compliance, corporate governance, and crisis management structure

Promoting CSR, compliance, and corporate governance

Create a new crisis management structure

- Take steps in response to the energy crisis, revise our business continuity plan based on the lessons from the Great East Japan Earthquake, and promote disaster preparedness



Consider future direction while assessing results

Outline

(Comparison between Shinkansen and airlines)

As of April 1, 2012

		Shinkansen	Airline	
			JAL, ANA	Peach Aviation
Travel time	Osaka Kagoshima	"Mizuho" 3 hours 42 minutes* ¹ "Sakura" 4 hours 6 minutes* ¹ (Shin-Osaka Kagoshima-Chuo)	approx. 3 hours 10 minutes (Central Osaka Central Kagoshima)	approx. 3 hours 40 minutes (Central Osaka Central Kagoshima)
	Osaka Kumamoto	"Mizuho" 2 hours 58 minutes* ¹ "Sakura" 3 hours 18 minutes* ¹ (Shin-Osaka Kumamoto)	approx. 3 hours (Central Osaka Central Kumamoto)	-
Price (one way)	Osaka Kagoshima	Normal "Mizuho" ¥21,600 "Sakura" ¥21,300 Discount ¥17,000	Normal ¥26,800 Discount ¥17,000~¥22,000	¥4,280~¥13,280 [¥5,980~¥17,780* ³]
	Osaka Kumamoto	Normal "Mizuho" ¥18,320 "Sakura" ¥18,020 Discount ¥14,400	Normal ¥23,500 Discount ¥14,400~¥19,300	-
Frequency (return/day)	Osaka Kagoshima	22.5	12 (ANA5,JAL7)* ²	2
	Osaka Kumamoto	23	8 (ANA5,JAL3)	-



<Ordinary car reserved seats>



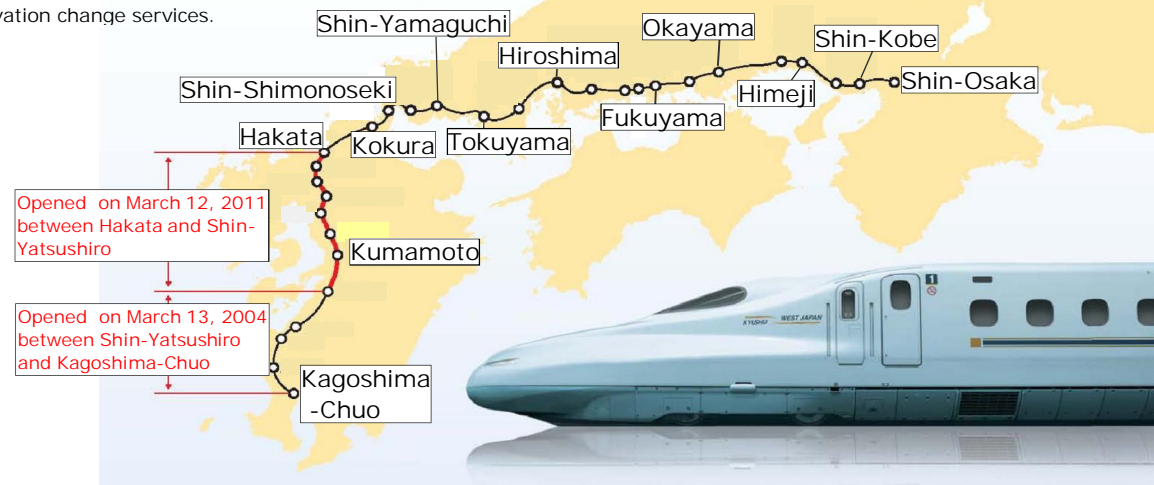
<Green car>

*1 the fastest time
 *2 Peach aviation started operation between Kansai (Osaka) and Kagoshima on April 1 2012.
 *3 "The Happy Peach Price" including seat reservation, keeping luggage, and free internet reservation change services.

(Effects of reducing travel time)

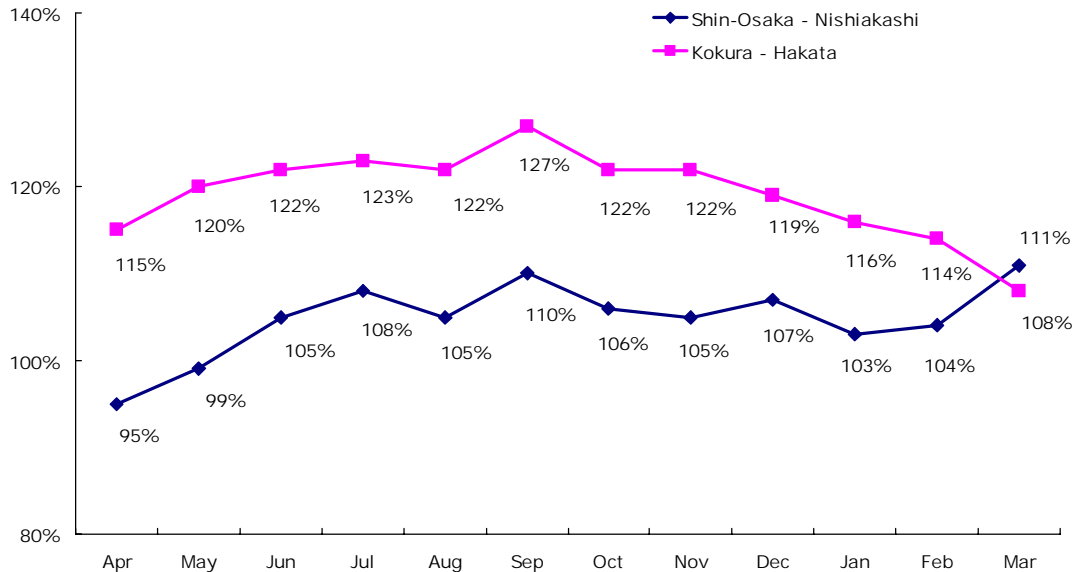
Route and Travel time	Hiroshima	Okayama	Shin-Osaka
Kumamoto	1 hour 36 minutes (53 minutes)	2 hours 13minutes (53 minutes)	2 hours 58 minutes (59 minutes)
Kagoshima -Chuo	2 hours 20 minutes (74 minutes)	2 hours 56 minutes (75 minutes)	3 hours 42 minutes (80 minutes)

*Times are for fastest "Mizuho" Shinkansen.
 Times in parenthesis represent the reduction in travel time following the establishment of direct services.



Trend of passenger volume after commencement of the service

【Monthly trend of passenger volume (YOY)】



【Load factor】 (average from April 2011 to March 2012)

Mizuho	Sakura	Total in the Sanyo Shinkansen
59%	66%	48%

【Positive impact on revenues】

(comparison with FY2011/3)

Billion Yen

FY2012/3 Result	FY2013/3 Forecast	
15.0	15.0	Aim at keeping the same level of positive effect

Initiatives going forward

Generate further travel demand to keep the strong trend of passenger volume

- Develop sightseeing resource and launch campaigns in collaboration with local authorities in Kyushu area, travel operators, and travel agencies

“Kirishima Campaigns” (from March to June)

“Detective Konan Nagasaki Mystery Tour” (from April to November)

- Grip inbound tourist demand (“JR Sanyo-Shikoku-Kyusyu RAIL PASS” etc.)
- Stimulate demand from Kyushu by highlighting the attractiveness of Kansai, Sanyo and other regions.

Strengthen promotions for Kyushu districts

(such as campaigns linked to historical TV dramas like “Taira-no-Kiyomori”)

Enhance convenience and appeal to customers

- Further highlight the convenience offered by increased frequency of trains with direct service to Kyushu
- Increase the number of J-WEST card members, and promote use of the e5489 service allowing internet reservations for the Tokaido, Sanyo and Kyushu Shinkansen services



<Kirishima open-air Museum>

The Two major projects: OSAKA STATION CITY

Outline

SOUTH GATE BUILDING



OSAKA STATION CITY

NORTH GATE BUILDING

<Originally Existed area>

- HOTEL GRANVIA OSAKA
- DAIMARU Umeda

<Expanded area>

- DAIMARU Umeda (B2F-15F)

- Developing area: 245,000 m²
- Total cost: 210.0 billion yen



· 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)

Situation after grand opening and initiatives going forward

【Positive impact on revenues】

(comparison with FY2011/3)

Billion Yen

	FY2012/3 Result	FY2013/3 Forecast
Transportation	5.0	5.0
Retail	31.0	34.0
Real estate	10.9	11.3
Total	46.9	50.3

Attracting more customers to OSAKA STATION CITY

- Hold events to draw customers

(The first anniversary

“Meet the SMILE OSAKA STATION CITY 1st BIRTHDAY PARTY” etc.)



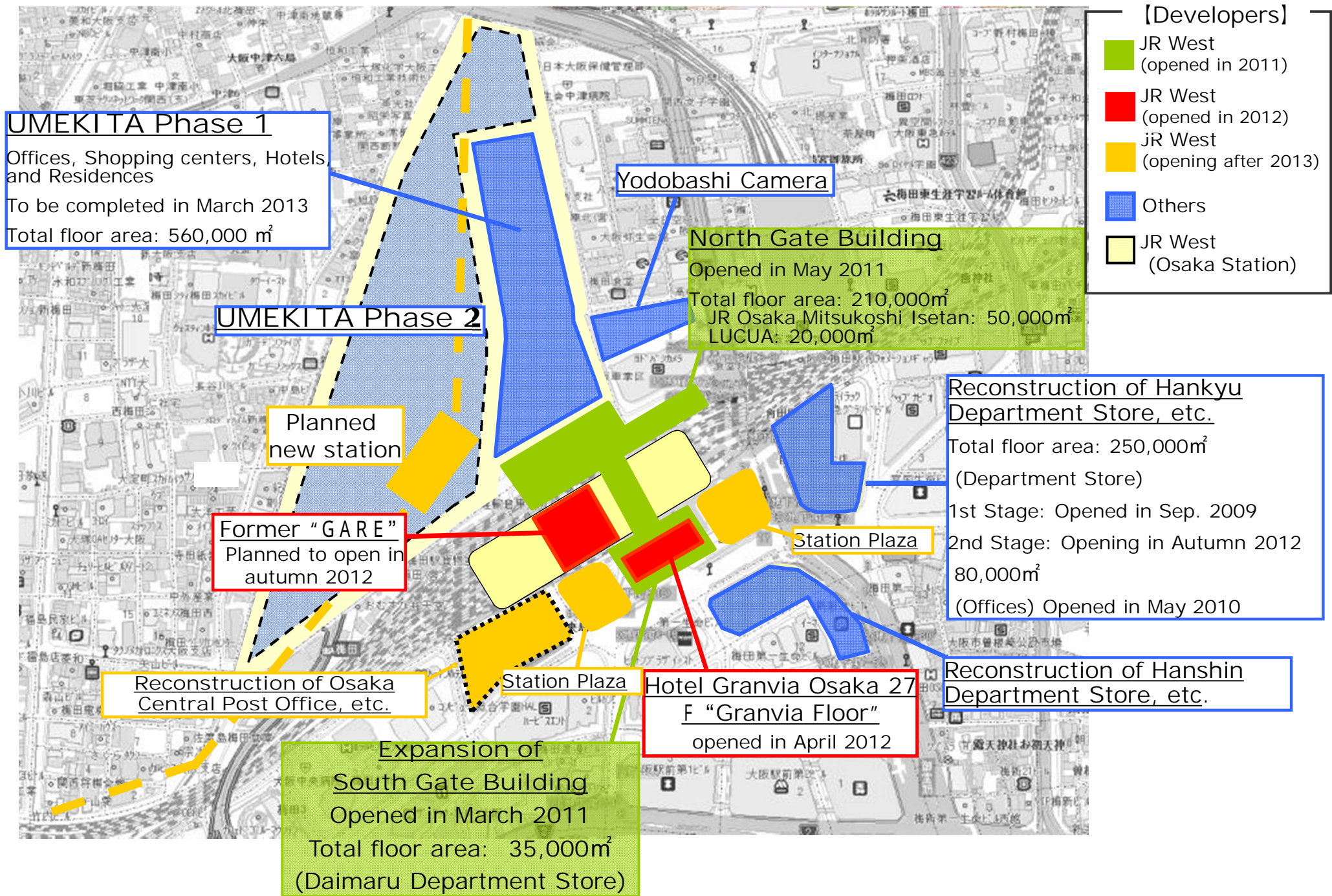
- Group-wide product development and promotions

- More careful planning for area management for the Umeda District

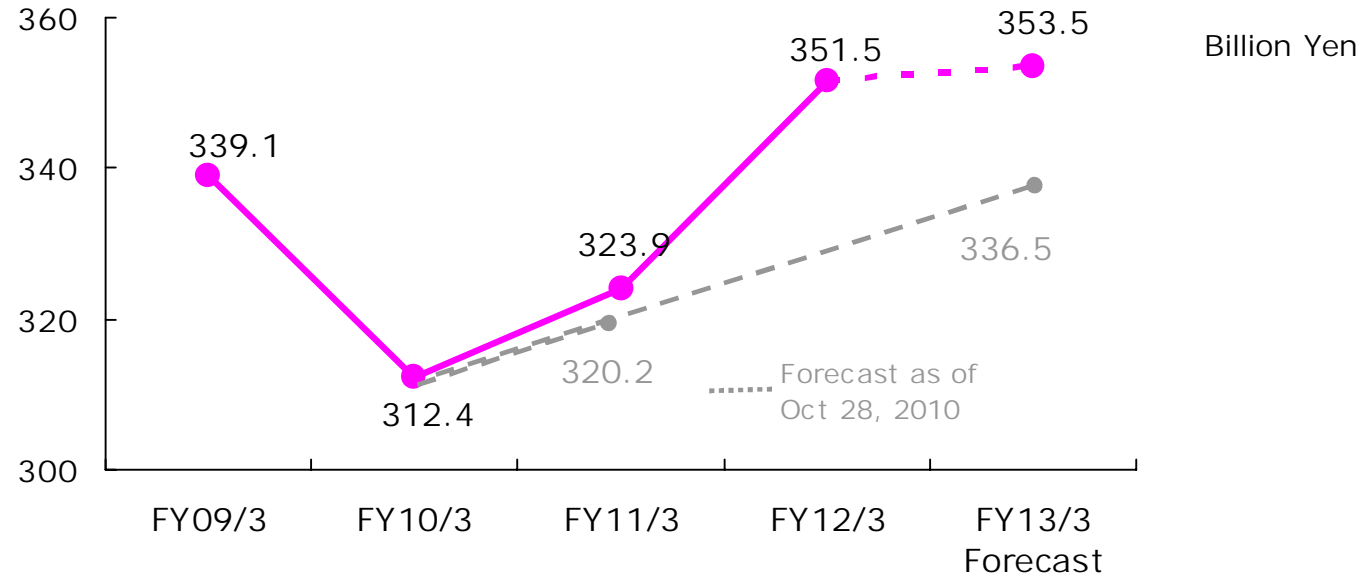
in preparation for the opening of Phase I of the Umekita project

(“Umeda Area Management Organization”)

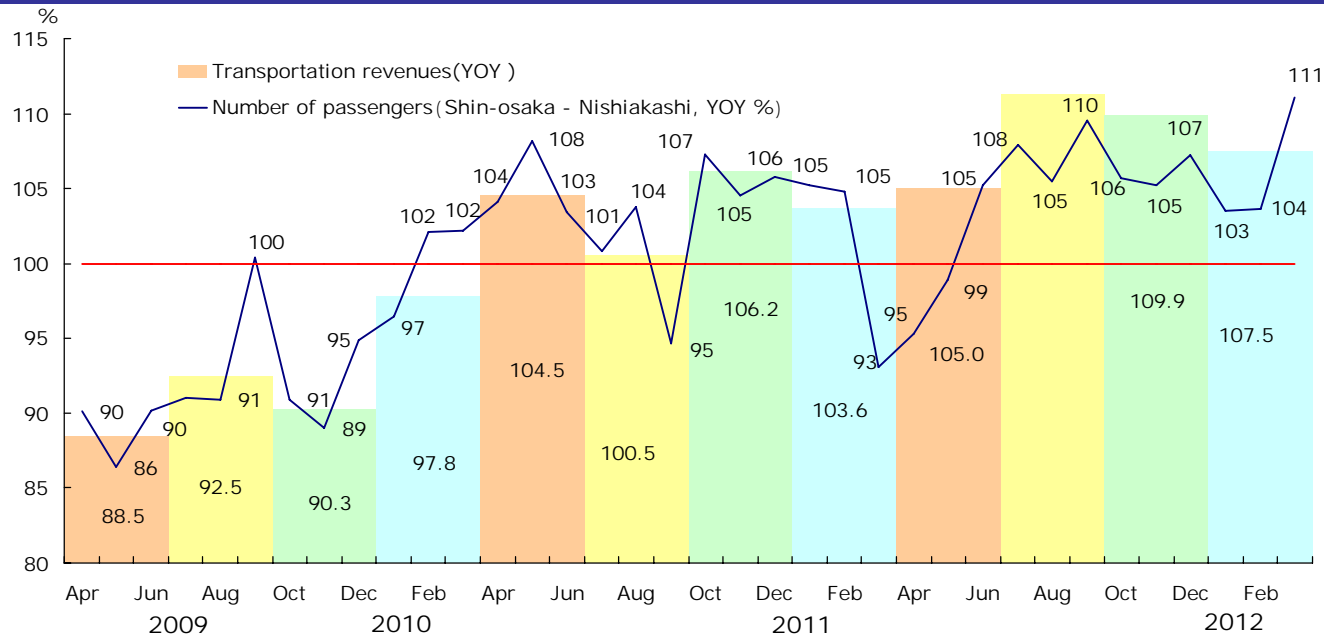
Development Projects around Osaka Station



Revenue trend and forecast



Revenues and passenger volume



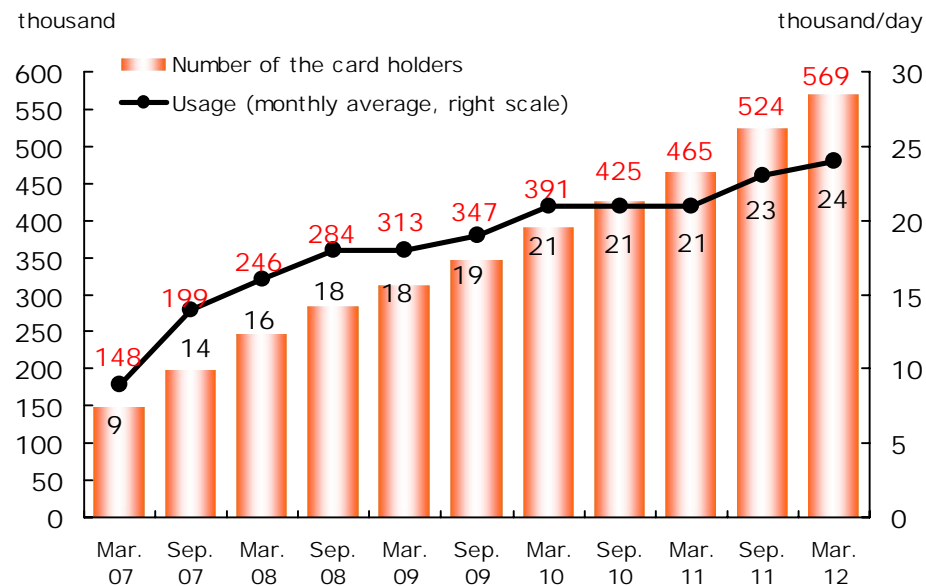
Further “brush-up” of the Sanyo Shinkansen

<Expanding market share against airlines>

More convenient service to secure loyal customers

- Increase frequency by timetable revision in March 2012
(Direct service to the Kyushu Shinkansen: +8 returns, Nozomi between Tokyo and Okayama: +1 return, etc.)
- Expand J-WEST Card members
- Promote “Express Reservation” and “e5489”
- Increase in the frequency of the J-West premier program
- Measures to improve mobile phone coverage along the train line between Hakata and Fukuyama
(Fukuyama – Mihara: to be completed in June 2012)

<Number of J-WEST Card members and usage of Express Reservation service>



<Expanding travel demand>

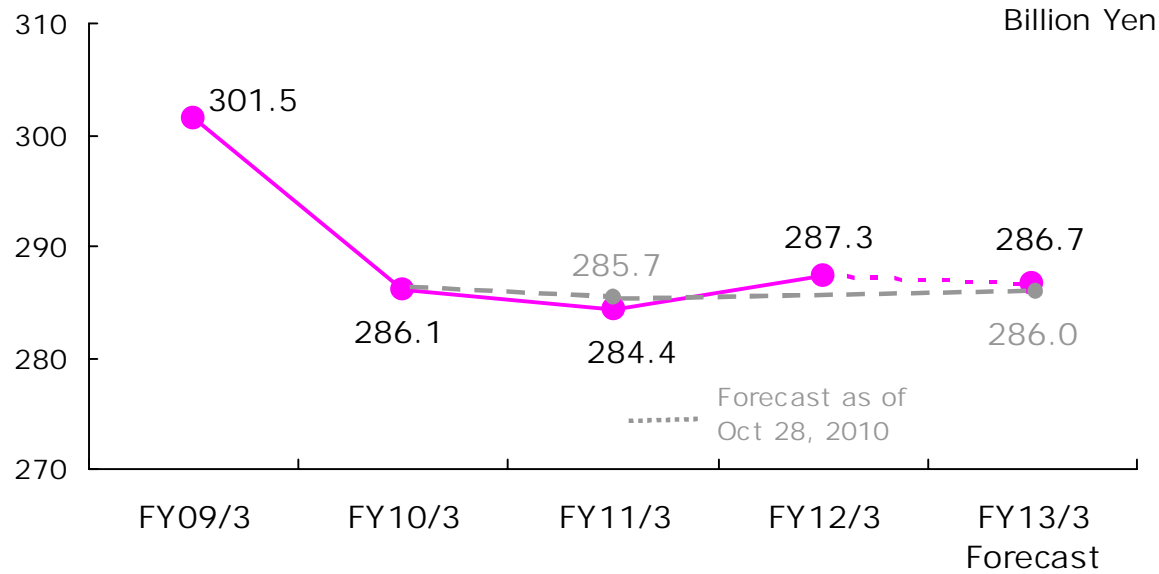
Expand travel demand

- Travel campaigns
 - “Destination Campaign”
(Sanin area from Oct to Dec 2012, Hiroshima from July to Sep 2013, Wakayama from Sep to Dec 2014)
 - “DISCOVER WEST”
Promote tourism linked to historical TV drama “Taira-no-Kiyomori”
- Develop tourism resources and provide secondary access
- Introduction of website “Santo Monogatari Web” providing travel information on Kyoto-Osaka-Kobe area, along with travel packages including Shinkansen tickets

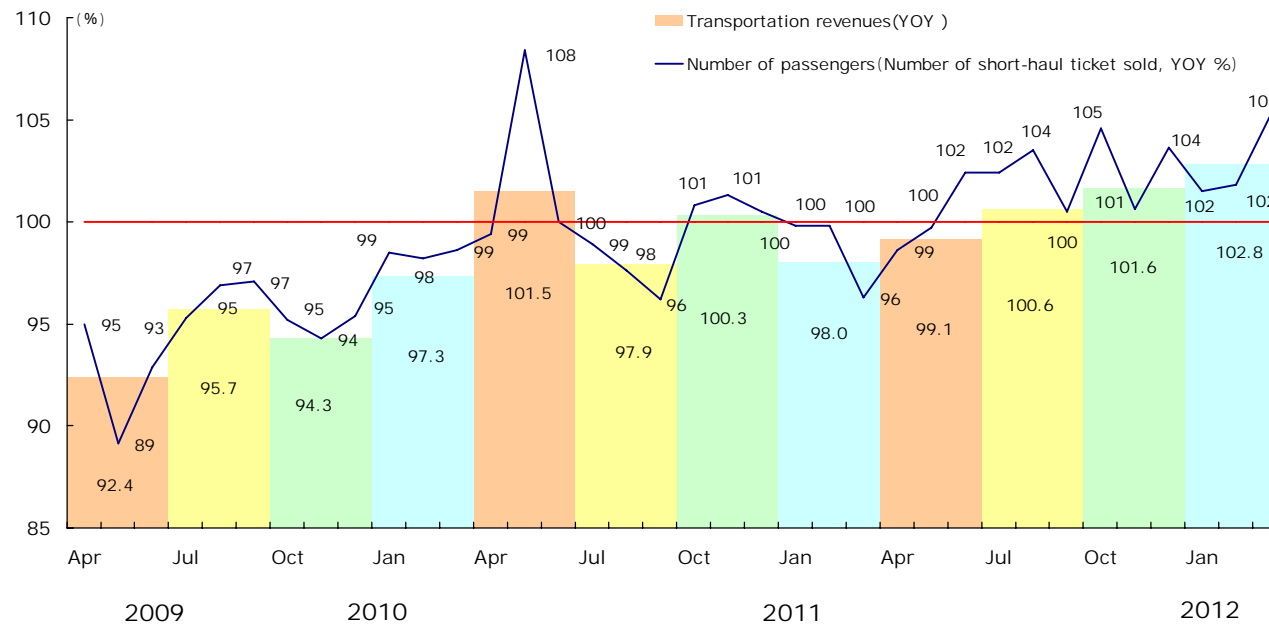
Stimulate inbound tourism demand

- Create and promote packages for inbound tourism
 - Develop new tourism routes to draw visitors to the West Japan region
 - Sell convenient and discount tickets
 - “JR-WEST RAIL PASS (Kansai WIDE Area Pass)”
 - “JR Sanyo-Shikoku-Kyusyu RAIL PASS”
 - Conduct group-wide overseas promotions
- Develop structures to receive visitors
 - Establish group-wide information and sales structure
 - Create framework for tie-ups with other transportation operators

Revenue trend and forecast



Revenues and passenger volume



Kyoto-Osaka-Kobe Area (Initiatives going forward)

Promote invigoration of main stations

- Osaka: Further strengthening attraction of OSAKA STATION CITY
- Kyoto: 15th anniversary of Kyoto station building
- Sannomiya: Renewal of concourse

Stimulate travel demand linking with “My favorite KANSAI”, a travel website for the Kansai region travel



Enhance value of our railway belts based on the principle of “Coexistence with local communities”

- Enhance services for stations and neighborhoods

Expand station-based services such as the “Ekirinkun” rental bicycle service and child daycare facilities

Launch childcare and family information magazine “Tokotokoton”

Open new stations (“Rokkomichi – Nada” Spring 2016, “Ibaraki - Settsutonda” Spring 2018)

- Provide safer and more reliable transportation service

Install platform doors (Osaka-Tenmangu, March 2012)

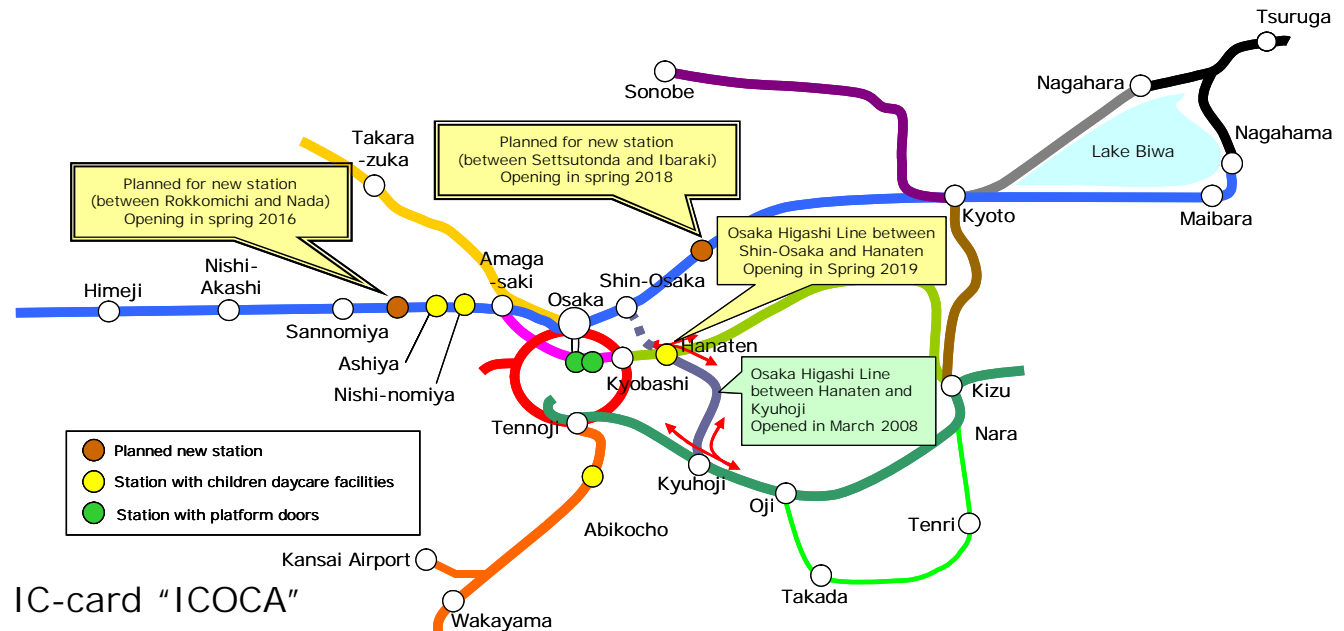
Improve safety level of crossing



<Tokotokoton>



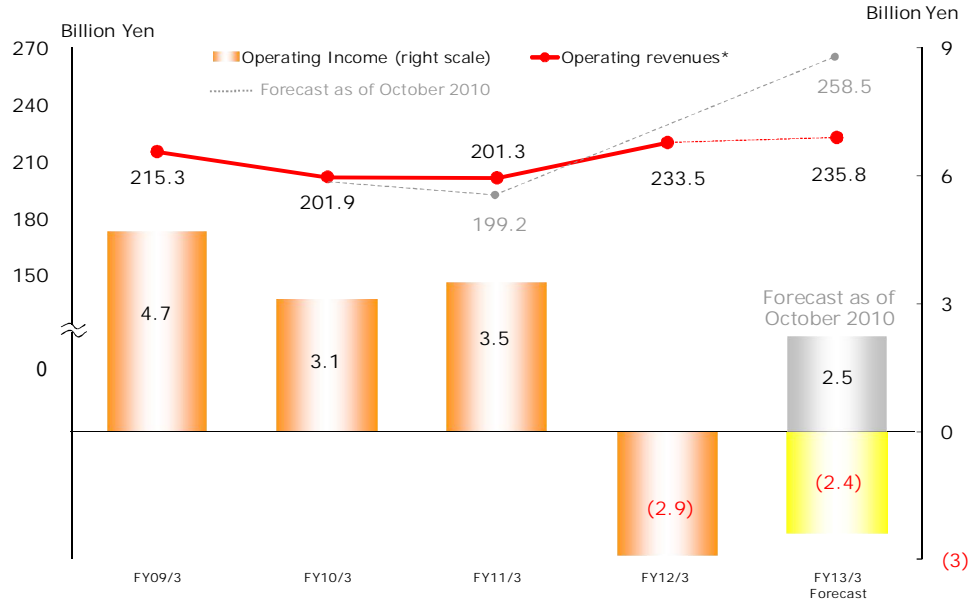
<Platform door>



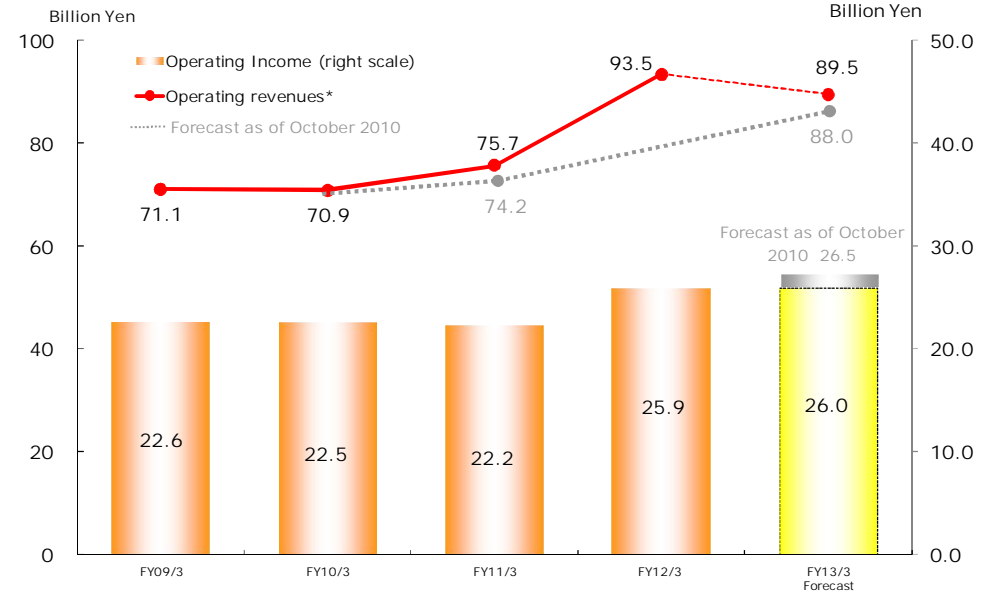
Enhancement of railway service through IC-card “ICOCA”

- Mutual service in whole Japan (starting in spring 2013)

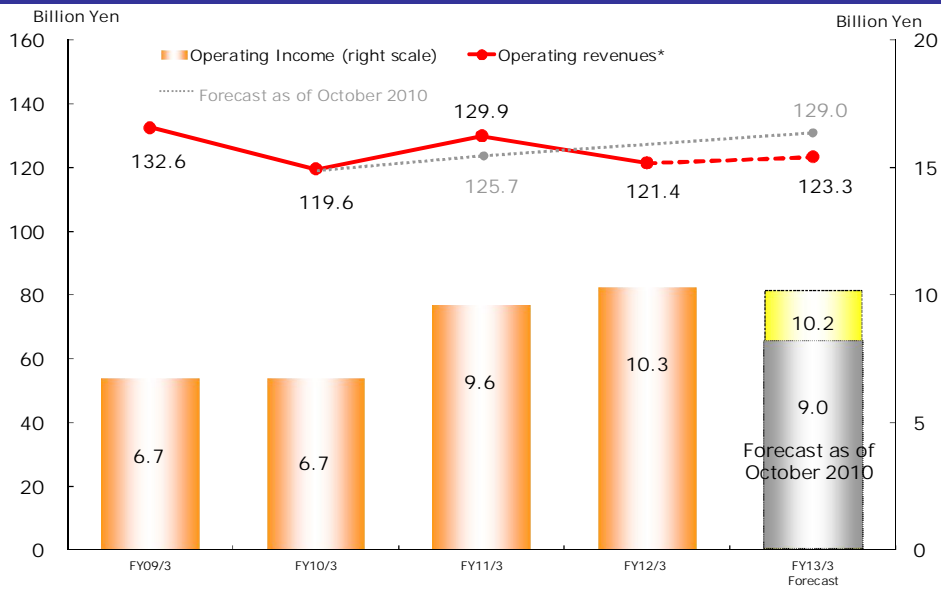
Retail



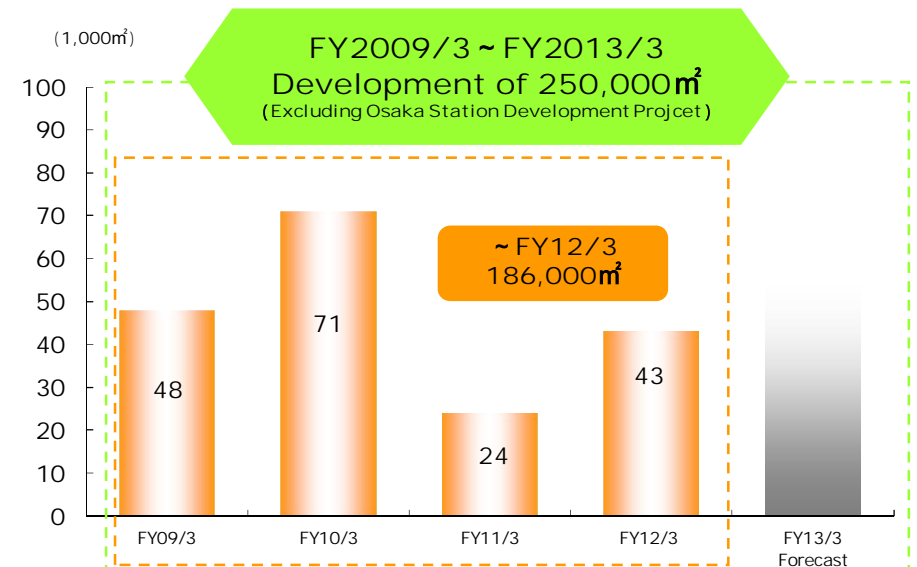
Real Estate



Other



Plan and Results for Development in and around Stations



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

[Sales of goods and food services]

Store renewals in line with station renovations

“Antre Marche in Shin-Osaka” (opened in Dec 2011)

Redevelopment of the former Osaka station “Gare” site
(opening planned for 2012)

Renovation of concourse in Tennoji station
(opening planned for 2012),

Tottori station (opening planned for 2012),

Sannomiya station (opening planned for 2013)



<Entre Marche in Shin-Osaka station>



<Souvenir shop in Tottori station>

Opening of business hotel “Via-inn”

Opening new hotels in Tokyo area and areas along the Sanyo Shinkansen

- Shinsaibashi (opened in April 2011: 205 rooms)
- Shinjuku (opened in February 2012: 226 rooms)
- Higashi-Ginza (opened in March 2012: 297 rooms)
- Okayama [provisional name] (opening planned for 2012: 250rooms)



<Via-inn Higashi-ginza>



<Via-inn Shinjuku>

[Department store]

JR Osaka Mitsukoshi Isetan

~ Develop measures to increase sales focused more on customers tastes in trading area ~

- Introduce new brands to further expand product lineups
- Utilize various special benefit promotions and events to create department stores that reflect the unique aspects of the Kansai region
- Highlight the benefits of the MI card and foods point card to gain repeat customers
- Improve customer service of sales clerk

JR Kyoto Isetan

~ Conduct sales promotions in conjunction with the store’s 15th anniversary ~

- Conduct various sales promotions linked to events to commemorate the 15th anniversary of the opening of the Kyoto Station Building



<JR Osaka Mitsukoshi Isetan>

【Real estate lease and sale】

Lease:

- Development of the former Kyoto Yayoi Kaikan building (Nijo) (opened in Dec 2011)
- Grand opening of Viera-Nara (opened in March 2012)
- Hold events to commemorate the 15th anniversary of the opening of the Kyoto Station Building

Sale: Sales of condominiums

(Plans of condominiums)

Name	Location	Month of handover	Houses
J-Gran Suita Senrioka	Suita, Osaka	July 2012(Planned)	117
J-Gran·EL Kobe Hyogo	Hyogo, Kobe	Feb. 2013(Planned)	99
Nada·Kobe project (provisional name)	Nada, Kobe	Feb. 2013(Planned)	77
J-Gran Okamoto	Higashi-nada, Kobe	Mar. 2013(Planned)	39
J-Gran Abeno Fuminosato	Abeno, Osaka	Nov. 2013(Planned)	113

【Shopping Center】

Renovation of Viento Kobe “PLiCO Kobe” (opened in March 2012)

Okayama Station West Gate Building (opening planned for 2012)

Total floor space: approx. 8,900m², 14F, Hotel & shopping center

Himeji Station Building (opening planned for 2013)

Total floor space: approx. 31,000m², B1-6F

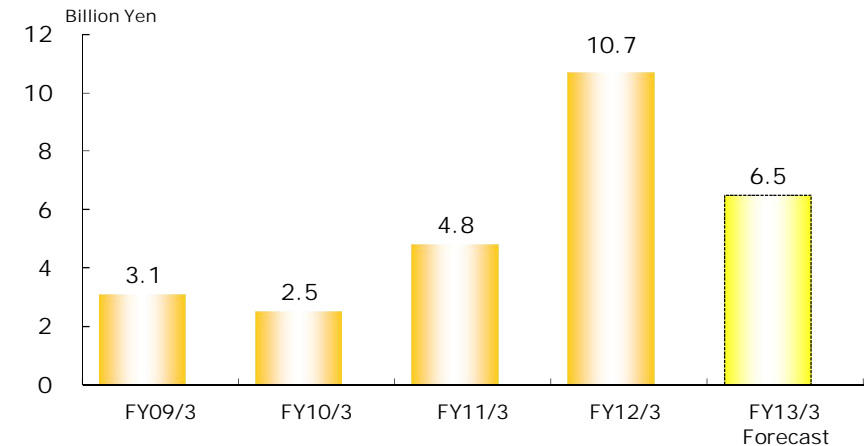


(Image) Himeji Station Building

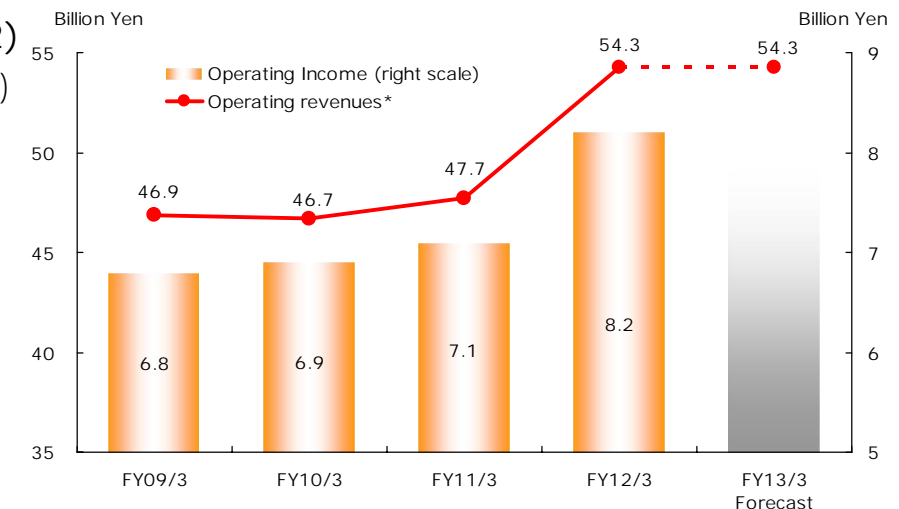


(Image) Okayama Station West Gate building

<Sales trend of condominiums>



<Sales and income trend of shopping centers>



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

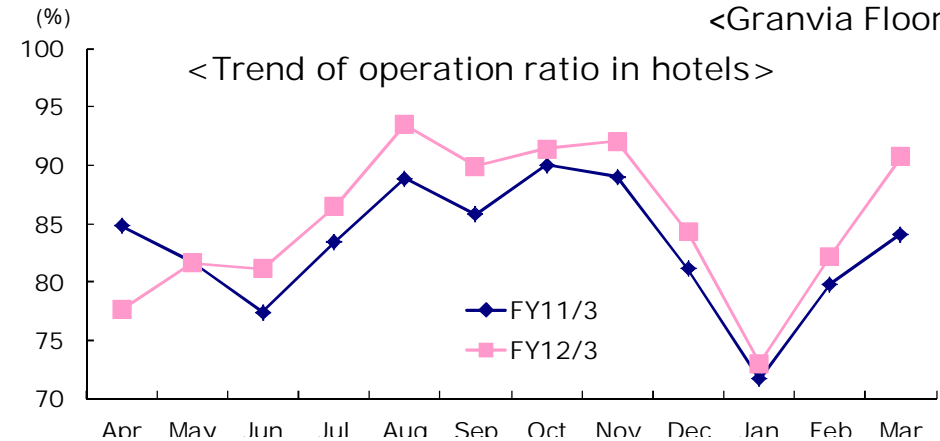
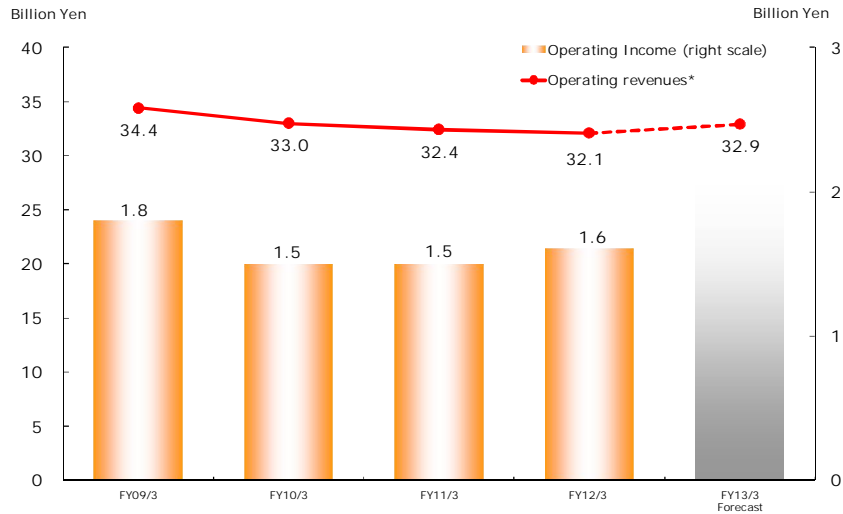
Other Businesses

【 Hotel business 】

Hotel Granvia Osaka 27th floor 「Granvia Floor」
(Luxury room, opened in April 2012, 68 rooms)



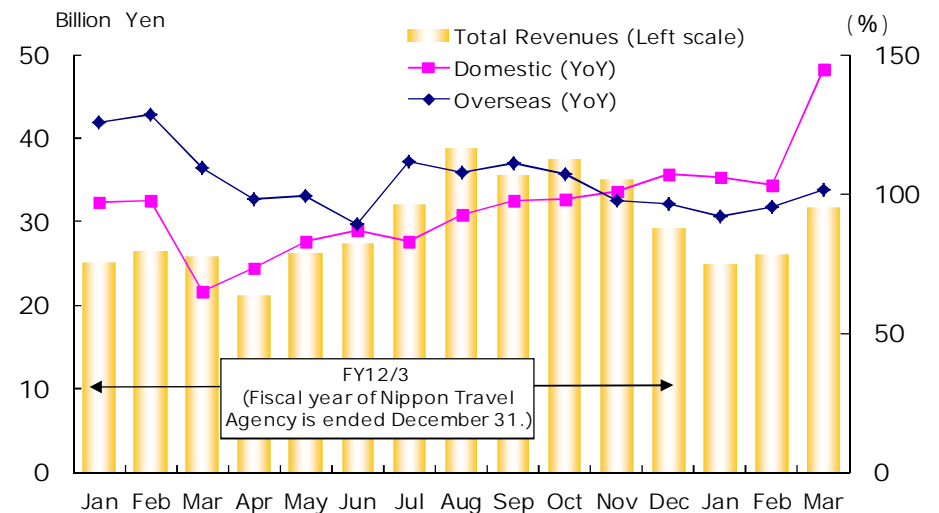
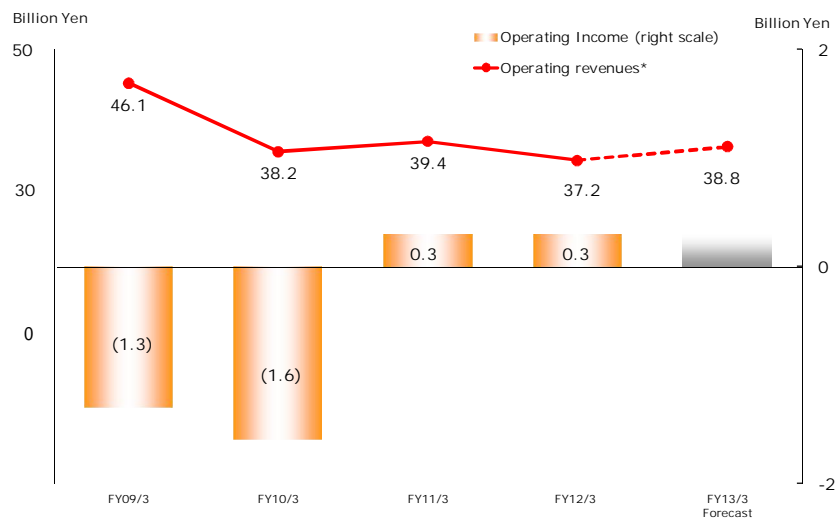
<Granvia Floor>



【 Travel Agency (Nippon Travel Agency)】

Strengthen of website sales, business travel management (BTM) service and inbound tourist services, etc.
Sales growth of package tours using JR and tours to Europe

<Sales trend (April 2011 - March 2012)>



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

Capital Expenditure Plan (Consolidated)



[Difference between the forecasts]

(Billion Yen)	Forecast as of May 2008	Forecast as of April 2012
Consolidated	980.0	980.0
Non-consolidated	780.0	780.0
(Safety-related capital expenditure)	430.0	460.0

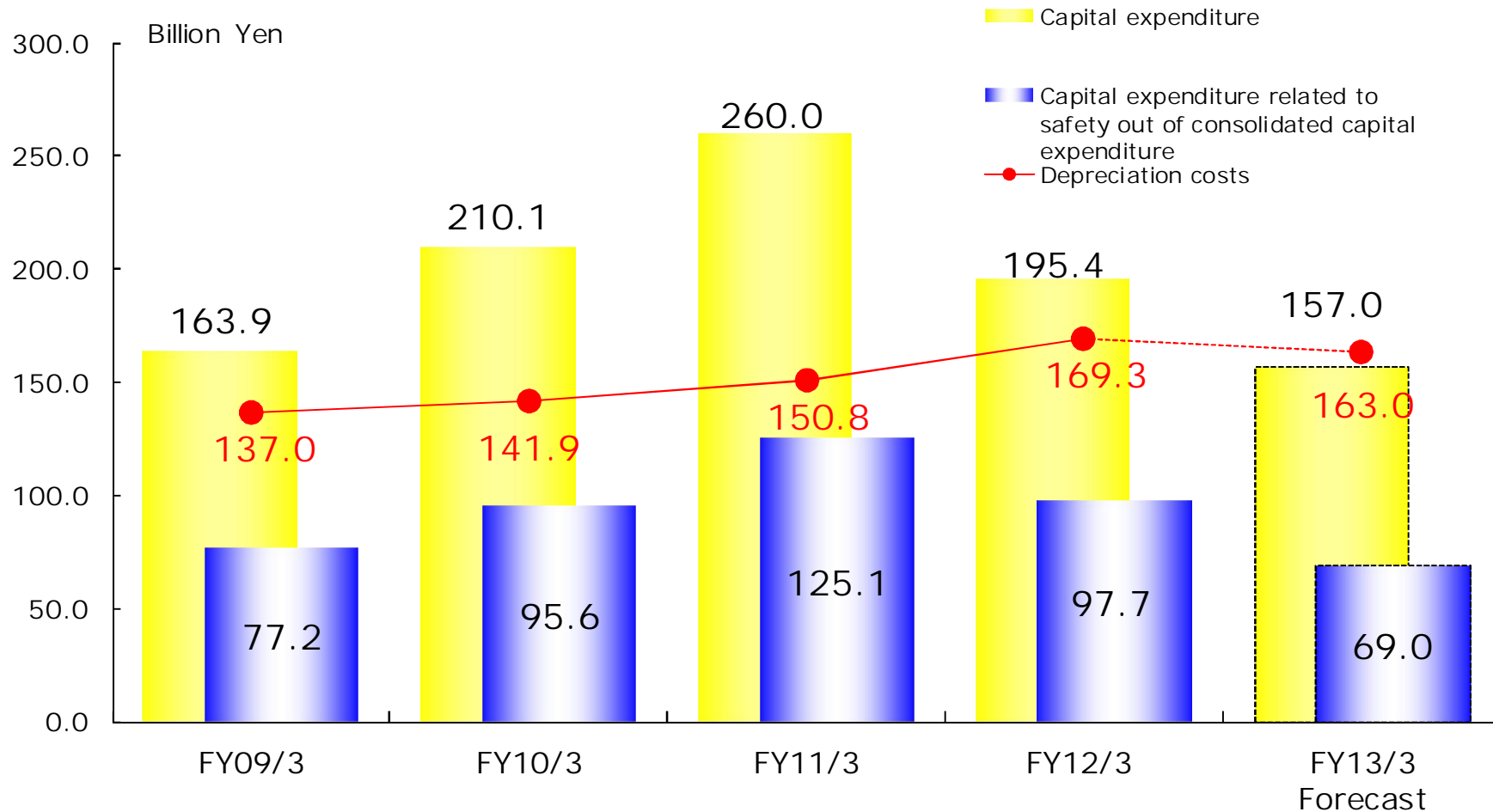
Major Capital expenditure projects for FY13/3

<CAPEX for future growth>

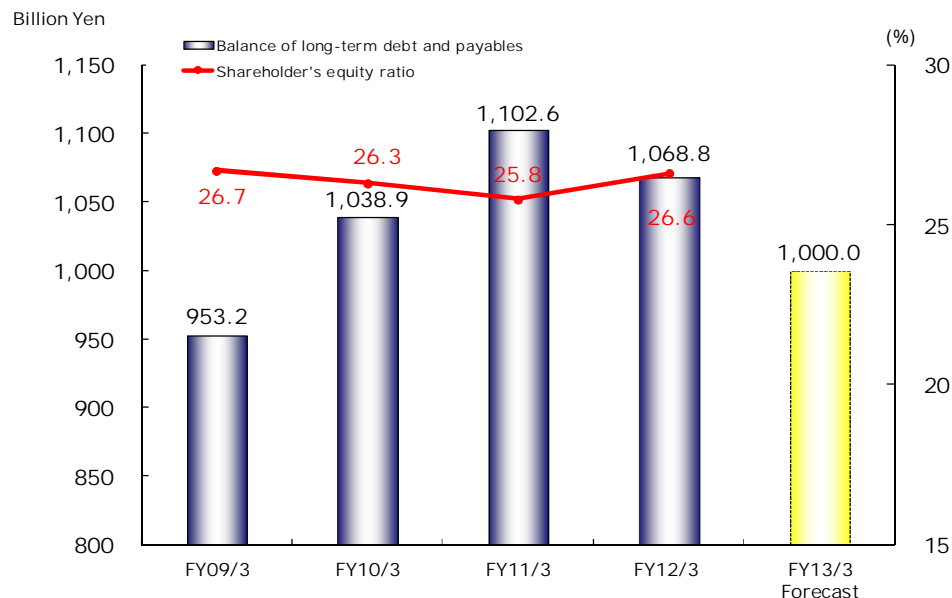
- Renewal of passenger gate system
- Barrier-free facilities
- Osaka Station Development Project

<Safety-related CAPEX>

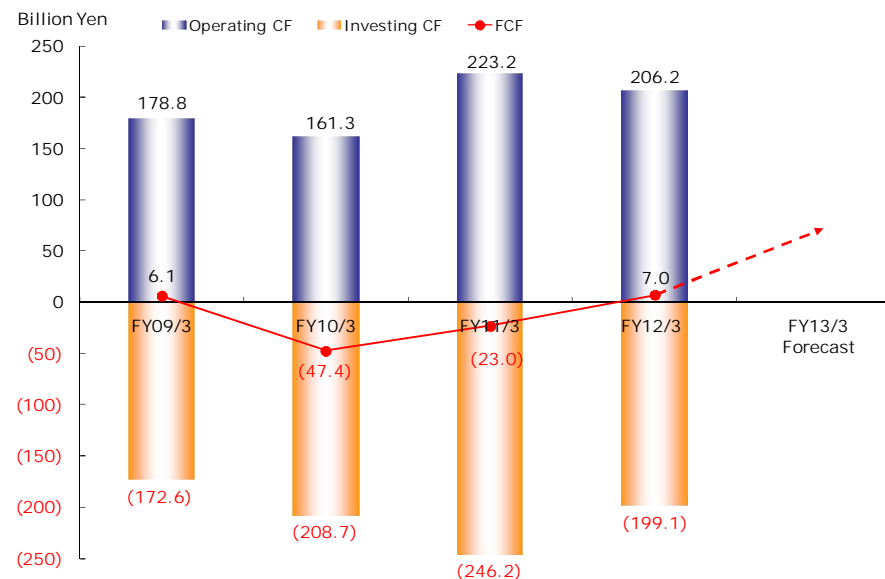
- Safety measures and disaster prevention facilities such as ATS-P
- Train operating status recorder
- Measures to prevent physical injuries and railway crossing accidents
- Measures to prevent a derailment of Shinkansen
- Introduction of new rolling stock for express train "Kuroshio"



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



Cash flows forecast (consolidated)



Financial situation

- JR-West's equity ratio is at a high level compared to other railway companies.
- Slowdown in capital investments for the two major projects is expected to provide leeway in terms of free cash flow.

Dividend policy

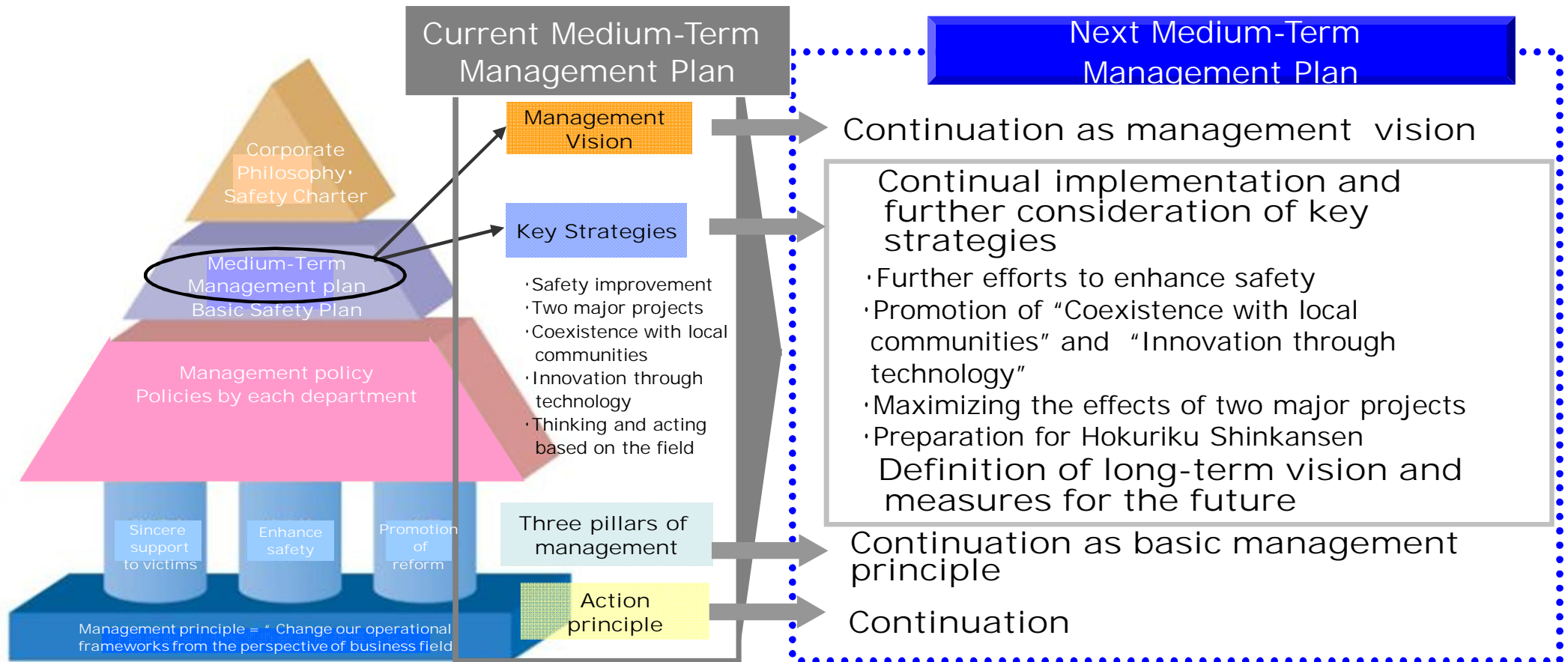
"We maintain our target of 3% of DOE (dividend on equity) for the fiscal year ending March 2013 on condition that our projects yield results"

Uncertain outlook for business environment (power supply issue in summer, increase in oil price, appreciation of the yen, Europe's debt crisis, etc.)

Dividend of 100 yen per share is planned for FY13/3

Management Vision

We, ever mindful of the Fukuchiyama Line accident, pursuing sustainable growth based on safety and reliability, contributing to invigorate West Japan area through our business activities, establishing a safety management, will seek to be a corporate group trusted by customers, communities and society to materialize our Corporate Philosophy.



(Reference) Hokuriku Shinkansen

Development of Hokuriku Shinkansen

Nagano – Kanazawa (Approx.230km)

Open date: Plan to be completed by the end of FY2015

Construction contractor: Japan Railway Construction, Transport and Technology Agency
(JR-West will operate commercial services, paying a usage fee to JR TT to the extent of earnings received.)

Our operating area: Joetsu (provisional name) – Kanazawa (Approx.170km)

Travel time	JR		Airplane *3
	Present *1 (As of April 2012)	A the time of launching service *2	
Kanazawa ~ Tokyo	Approx. 3 hours 50 minutes	Approx. 2 hours 40 minutes	Approx. 2 hours 50 minutes
Toyama ~ Tokyo	Approx. 3 hours 10 minutes	Approx. 2 hours 20 minutes	Approx. 2 hours 30 minutes

*1 Joetsu Shinaknsen + limited express train "Hakutaka"

*2 Average speed of Shinkansen assumes 190km/h.

*3 Travel time includes the time between airport and city center.

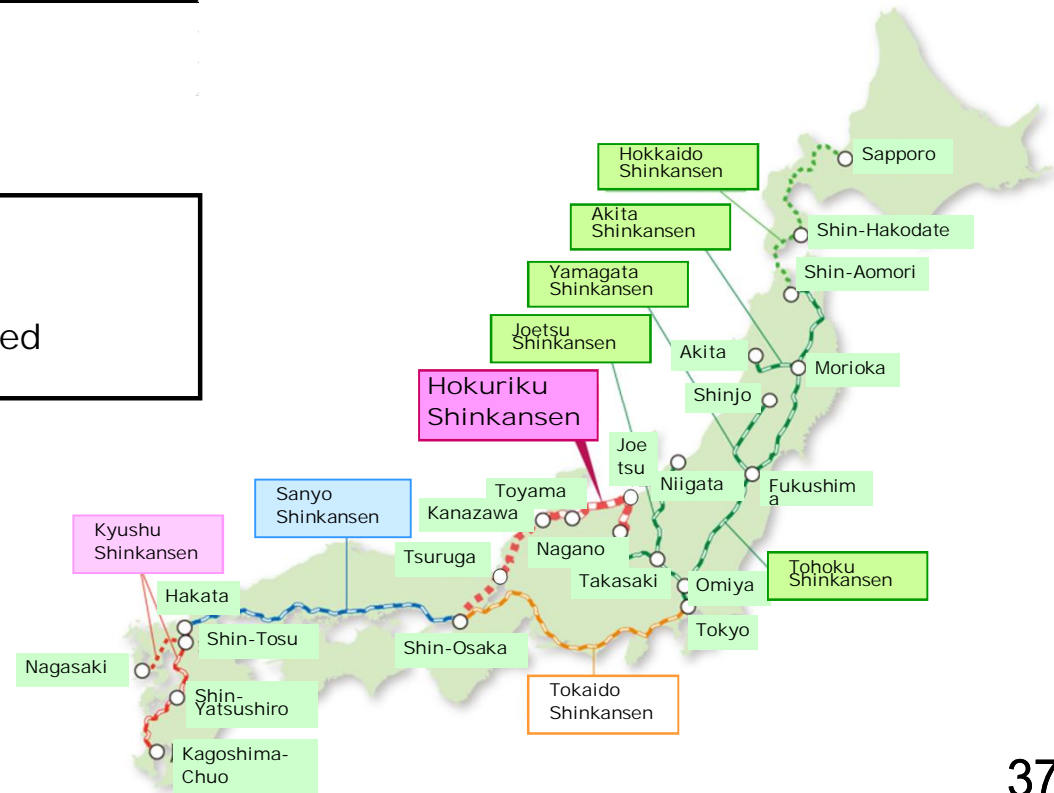
Kanazawa - Tsuruga (Approx.130km)

<Confirmations with the government and ruling coalition parties(Dec 26, 2011)>

Upon fulfillment of the "five conditions for the start of work", once the plan for the segment west of Tsuruga has been confirmed, the new segment will be authorized and work can begin.

The Japanese government has suggested using gauge change trains to enhance convenience when changing trains at Tsuruga once services to that station commence . We are considering the proposal.

Kanazawa-Tsuruga will start operations at some point more than 10 years after the start of operations at the Nagano-Kanazawa (around FY26/3)



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;
 - 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 May 2012 based on information available to JR-West as of May 2012 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.