

Results for the fiscal year ended March 2012
and Future Initiatives



May 2012
West Japan Railway Company

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

I am Katsunori Matsuura, general manager of the finance department.

I would like to explain the results for the fiscal year ended March 2012 and forecasts for the fiscal year ending March 2013 announced on April 27.

Last year was the special year, during which we completed our two major projects, the "Direct service between the Sanyo and the Kyushu Shinkansen" and the "Grand opening of Osaka Station City".

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.

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In the fiscal year ended March 2012, operating revenues and income rose from the previous fiscal year on both a consolidated and non-consolidated basis, due mainly to the early recovery from the Great East Japan Earthquake and the opening of the two major projects. The boost from direct service with the Kyushu Shinkansen was particularly positive. Net income, however, decreased from the previous fiscal year due to the reduction of deferred tax assets according to the revision of the tax system.

In the current fiscal year, both operating revenues and operating income are anticipated to increase from last fiscal year, and operating income on a consolidated basis is forecasted to be 111.5 billion yen, an upward revision from 95.5 billion yen, shown in "Revision of JR West Group's Medium-Term Management plan 2008-2012".

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.

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This sheet explains non-consolidated financial results.

Operating income in the fiscal year ended March 2012 increased 13.4 billion yen to 89.2 billion yen from the previous fiscal year. This was mainly because transportation revenues rose more than non-personnel costs and depreciation.

Major Factors of Increase/Decrease in Transportation Revenues



Transportation revenues		Result FY2012/3		¥ Billions		
		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 San'yū, Tohoku & Shinkansen		15.0
				Rebound of the Great East Japan Earthquake		2.8
				Golden week-Summer holidays		2.0
				Convenient holidays-Leap year effect		1.7
				Osaka Station City		(1.0)
				The Great East Japan Earthquake		
				etc.		
				Kyoto-Osaka-Kobe Area conventional lines	287.3	2.9
Special factors						
Osaka Station City		3.0				
Rebound of the Great East Japan Earthquake		0.8				
Golden week-Summer holidays		0.7				
Convenient holidays-Leap year effect		(0.6)				
The Great East Japan Earthquake		(0.4)				
Typhoons						
etc.						
Other conventional lines	119.8	0.2	0.2			
				Special factors		
				Rebound of the Great East Japan Earthquake		0.6
				Golden week-Summer holidays		0.5
				Convenient holidays-Leap year effect		0.2
				Osaka Station City		(0.5)
				The Great East Japan Earthquake		(0.4)
				Typhoons		
				etc.		
				Conventional lines	407.2	3.1
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.

Operating revenues in both Shinkansen and conventional lines increased.

Total transportation revenues increased 30.7 billion yen to 758.7 billion yen due mainly to the 15.0 billion yen of positive effect by the direct service with Kyushu Shinkansen, 5.0 billion yen of positive effect by the opening of Osaka Station City, and the positive effect of the leap year and convenient holidays etc.

Transportation Revenues and Passenger-Kilometers



	Transportation Revenues						Passenger-Kilometers					
	¥ Billions			Millions of 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			Major factors
		YOY		
		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.

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This sheet explains main factors of change in operating costs from the previous year.

Depreciation and amortization was the highest ever due to more than 200 billion yen of investment in the previous year. Energy costs and miscellaneous costs also increased due to the increase in fuel prices and payments to other JR companies owing to the direct services with Kyushu Shinkansen. As a result, operating costs increased 20.0 billion yen to 772.8 billion yen.

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.

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On a consolidated basis, operating revenues increased 74.1 billion yen to 1.2876 trillion yen, operating costs increased 60.3 billion yen to 1.1778 trillion yen, and operating income increased 13.8 billion yen to 109.7 billion yen.

Consolidated Financial Results (Segment Information)



	Result FY2011/3	FY2012/3		YOY		Difference from the forecast Increase/ (Decrease) C-B
		Forecast (As of 1/27)	Result	Increase/ (Decrease)	%	
		A	B	C	C-A	
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)

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Retail Business

Operating revenues increased 32.2 billion yen to 233.5 billion yen due mainly to the opening of JR Osaka Mitsukoshi Isetan department store. In terms of earnings, however, this segment posted 2.9 billion yen of operating loss, 6.5 billion yen worse than the previous year, mainly because of increase in costs stemming from the opening of the JR Osaka Mitsukoshi Isetan department store.

Real Estate Business

Operating revenues increased 17.8 billion yen to 93.5 billion yen and operating income increased 3.7 billion yen to 25.9 billion yen as a result of the opening of the shopping center LUCUA and increase in condominium sales.

Other Businesses

Operating income slightly increased mainly as a result of cost reductions, while operating revenues in hotels and travel agencies declined due to the negative effect of the Great East Japan Earthquake.

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.

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In the current fiscal year, on a non-consolidated basis, operating revenues are anticipated to increase 0.3 billion yen to 862.5 billion yen, owing to 1.2 billion yen of increase in transportation revenues. On the other hand, operating costs are anticipated to decrease 0.8 billion yen to 772.0 billion yen due to decrease in personnel costs and depreciation while non-personnel costs are anticipated to increase. As a result operating income is forecasted to increase 1.2 billion yen to 90.5 billion yen.

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.

Transportation revenues in the current fiscal year are forecasted to increase 1.2 billion yen to 760.0 billion yen, due to the rebound from negative impact of the Great East Japan Earthquake, the negative impact of Typhoons last autumn, and the positive impact of the leap year.

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.

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Operating costs are forecasted to be decrease 0.8 billion yen to 772.0 billion yen.

A considerable decrease is expected in personnel costs and depreciation and amortization. Personnel costs are anticipated to fall 4.4 billion yen, as amortization of accumulated unrecognized actuarial differences decrease due to the revision of the basic rate for retirement benefits obligations. Depreciation and amortization is anticipated to decrease 5.7 billion yen with the conclusion of the additional depreciation of residual 5% value, stemming from the change in the system for depreciation in 2007

On the other hand, energy costs are anticipated to increase 3.2 billion yen due to the increase in fuel price, and miscellaneous costs are anticipated to increase 3.0 billion yen due mainly to an increase in system related costs.

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.

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In current fiscal year, consolidated operating revenues are forecasted to be 1.2880 trillion yen, slightly smaller than the forecast in “Revision of JR West Group’s Medium-Term Management plan 2008-2012”, 1.3000 trillion yen. Operating income, recurring profit and net income, however, are anticipated to exceed the forecasts in “Revision of JR West Group’s Medium-Term Management plan 2008-2012”.

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)

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Retail Business

Operating revenues are forecasted to increase 2.2 billion yen to 235.8 billion yen taking an increase in sales of JR Osaka Mitsukoshi Isetan into account, and operating loss is forecasted to decrease 0.5 billion yen to 2.4 billion yen.

Real Estate Business

Operating revenues decrease 4.0 billion yen to 89.5 billion yen due to the decrease in condominium sales. Operating income is forecasted to be the same level as last fiscal year.

Other Businesses

Operating revenues are anticipated to increase 1.8 billion yen to 123.3 billion yen due to the rebound from the Great East Japan Earthquake in hotels and travel agencies. Operating income is anticipated to be 10.2 billion yen, the same level as last fiscal year.

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) **	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 (¥)**	8,000	90	100

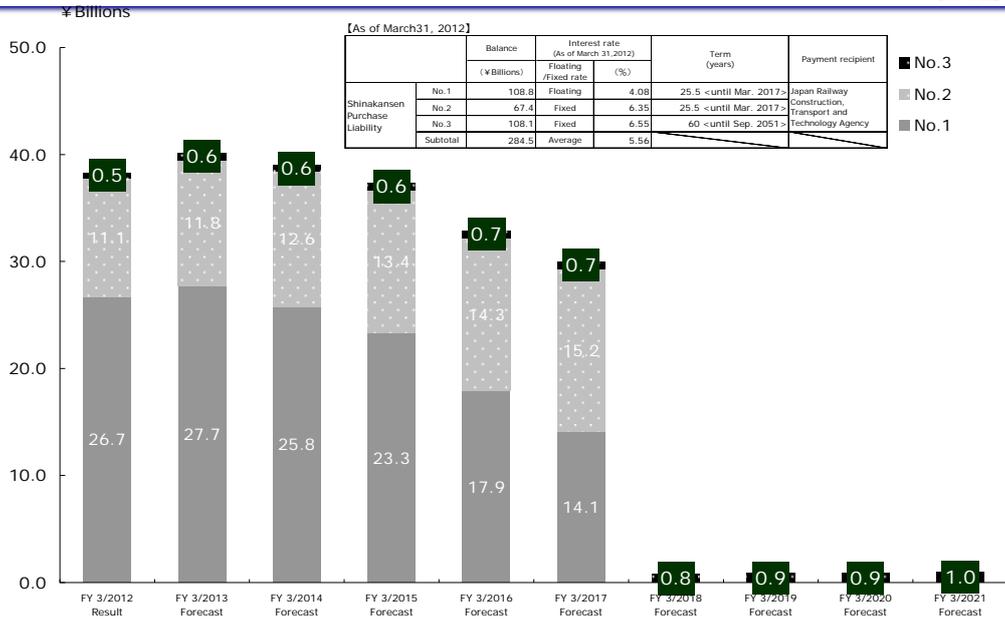
*1 EBITDA = Operating Income + Depreciation

*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



Ⅱ . Future initiatives

I am Seiji Manabe, president of JR-West.

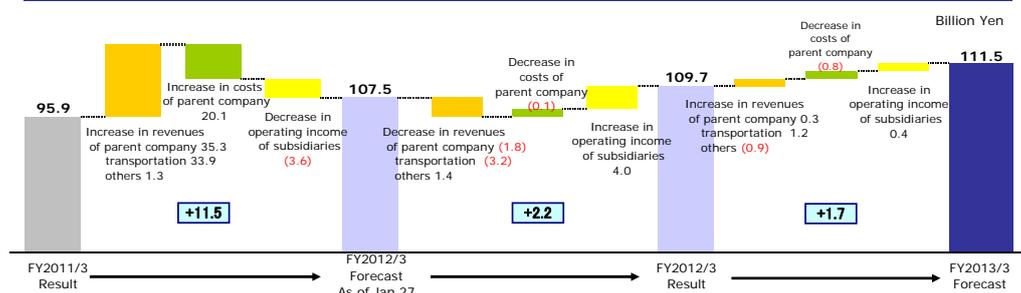
I would like to explain future initiatives.

Consolidated Financial Results and Forecasts

Billion Yen

	FY2012/3		FY2013/3		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



For FY2013/3 we are forecasting operating income of 111.5 billion yen on a consolidated basis, an upward revision to the Medium-Term Management Plan. While we cannot dismiss the uncertainties in the business environment, such as the summer power shortages, high oil prices and a strong yen, as well as political instability and the risk posed by the European financial situation, we believe that we will be able to reach this target through measures to extract further benefits from our two major projects, which are now in their second year.

Financial Results and Forecasts during Medium-Term Management Plan



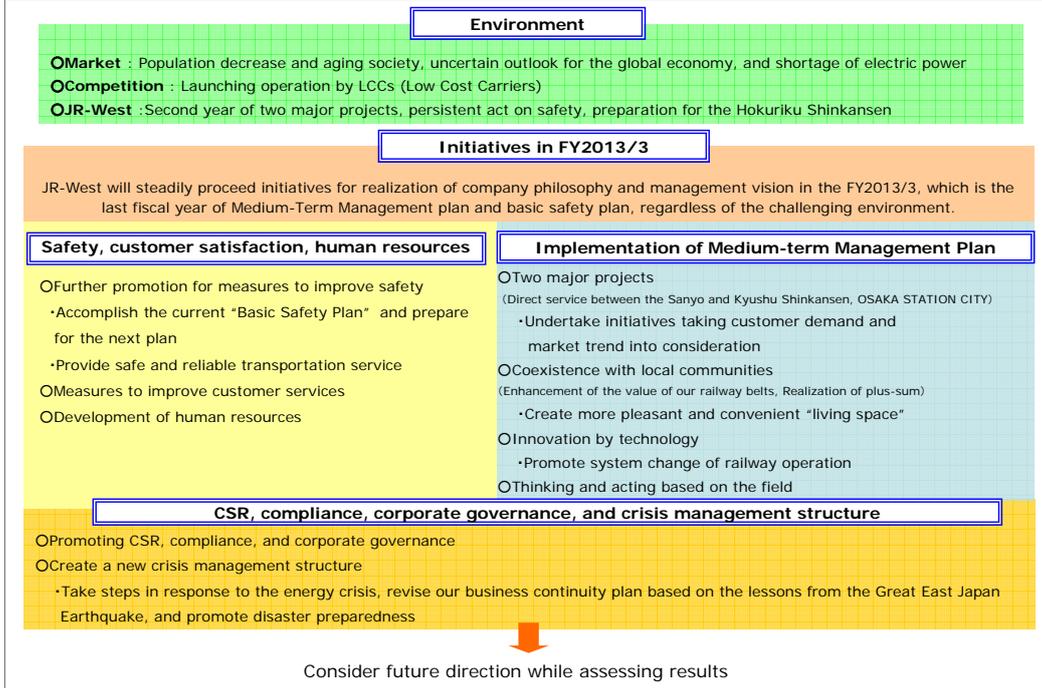
Billion Yen

	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



Looking at policy initiatives for FY2013/3, this will be the final fiscal year for both the Medium-Term Management Plan and the Basic Safety Plan.

Recognizing this, we plan to steadily implement strategies such as "Coexistence with local communities" and "Innovation by technology," aiming to realize the corporate principles and management vision that reflect our aspirations as a company.

We also plan to improve the level of customer satisfaction, further CSR initiatives, and implement measures to counter natural disasters such as earthquakes and tsunami.

The Two major projects: Direct Service between the Sanyo and the Kyushu Shinkansen 1



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" ¥19,320 "Sakura" ¥18,020 Discount ¥14,400	Normal ¥23,500 Discount ¥14,400~¥19,300	-
Frequency (return/day)	Osaka⇄Kagoshima	22.5	12 (ANAS,JAL7) ²	2
	Osaka⇄Kumamoto	23	8 (ANAS,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.



Next I would like to explain the current state of individual businesses and our planned initiatives.

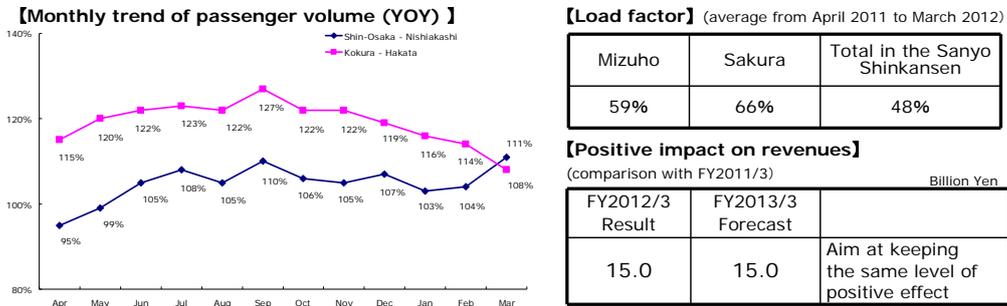
First, for the direct through-service with the Kyushu Shinkansen, which is one of our two major projects, the ridership on the direct service trains Mizuho and Sakura has increased to around 60%, while that of the Sanyo Shinkansen overall is roughly 50%.

Passenger volume of the Sanyo Shinkansen between Kokura and Hakata has increased by approximately 20%. Looking at combined use of Shinkansen and airline services, preliminary calculations up to June 2011 reveal that the market size has increased by approximately 40% between the Kyoto-Osaka-Kobe area and Kumamoto, and by approximately 30% between the Kyoto-Osaka-Kobe area and Kagoshima.

Regarding our market share in comparison with the airlines, the same preliminary calculations up to June reveal that JR-West's share of travel between the Kyoto-Osaka-Kobe area and Kumamoto has increased from 30% to around 60%, and for travel between the Kyoto-Osaka-Kobe area and Kagoshima from 10% to around 40%. Looking at the trend of passenger volume, we believe that this trend remained roughly unchanged throughout the fiscal year.

Going forward, to ensure that this mutual passenger service provision is more than just a temporary development, we will further broaden the relationship between Kansai and Kyushu, conduct travel campaigns targeting widespread areas across Kyushu, and take steps to capture inbound travel demand. We are also planning measures aimed at increasing the number of passengers traveling to Kansai from Kyushu.

Trend of passenger volume after commencement of the service



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>

Specifically, to expand use of trains across the Kyushu region, we conducted such promotions as the “Detective Konan Mystery Tour” in Nagasaki. Tours such of these promote travel not only on the north-south line along the Kyushu Shinkansen, but also the east-west lines around the Kyushu Shinkansen,

To capture inbound tourist demand, in addition to the JR-West Rail Pass we offer to foreign tourists visiting Japan, from April 2012 we began selling the JR Sanyo-Shikoku-Kyusyu Rail Pass, a discount ticket that allows unlimited use of Shinkansen and limited express trains in the Sanyo, Shikoku and Kyushu area. From July, we will also conduct the “Detective Konan Okayama/Kurashiki Mystery Tour” targeting visitors from Taiwan.

For measures to attract visitors from Kyushu to Kansai, we are planning large-scale promotions, such as those linked to NHK’s “Taira-no-Kiyomori” historical drama.

In terms of expanding use on weekdays, the current situation is that railway use on Saturdays and holidays is around 1.4 times that on weekdays. However, considering that the baby boomer generation is reaching retirement age, we are exploring measures to allow them to enjoy trips without regard to the day of the week.

We further enhanced convenience with the timetable revision in March, including increasing the number of trains providing direct service with the Kyushu Shinkansen from 15 to 23 round trips per day, and shortened the fastest service between Shin-Osaka and Kagoshima-Chuo by 3 minutes, to 3 hours and 42 minutes. We undertook measures to highlight these timetable revisions, as well as other basic information such as the e5489 internet reservation service, in an effort to meet the needs of not only the tourists who currently account for around 40% of our business, but businesspersons, individuals, and all manner for travelers.

We expect that the direct through-service with the Kyushu Shinkansen will provide a revenue boost of around 15.0 billion yen in FY2013/3, roughly equivalent to that in the previous fiscal year. We are wary of the possibility of a falloff in demand from the rebound effect following the extraordinary demand when the service was launched, and are steadily implementing a variety of measures to maximize the benefit from the new service.

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



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”)



The other major project, Osaka Station City, had attracted a cumulative total of more than 120 million visitors as of the end of March. Osaka Station City has also promoted use of the railway, with short-distance trips around Osaka Station up 10%.

The LUCUA shopping center has been popular since its opening, with tenant sales of 34.0 billion yen, far exceeding the initial target of 25.0 billion yen. Revenue from JR Osaka Mitsukoshi Isetan, however, was just 31.0 billion yen, falling below initial targets. We think the reasons for this are that the department store failed to sufficiently convey its attractiveness to customers, and that the store development and product lineup did not meet the expectations of Osaka consumers. We have already implemented improvement measures, including replacing certain brands and revising in-store signs, as well as holding special sales limited to cardholders. While we are still a long way from raising the level overall, I think there have been some positive signs, such as the fact that year-end gift sales exceeded that of summer gift sales, and the popularity of limited-time events held in conjunction with Valentine's Day in February.

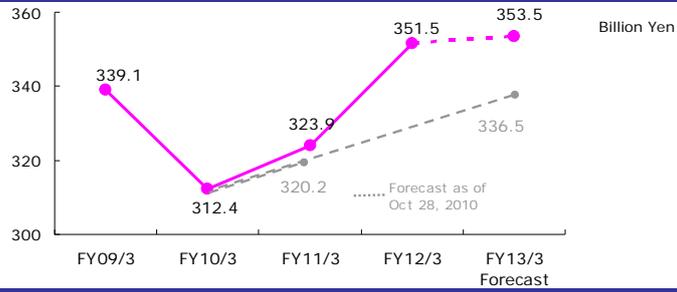
The overall revenue boost provided by Osaka Station City during FY2012/3 was 46.9 billion yen. Broken down by segment, this comprised 5.0 billion yen from Transportation, 31.0 billion yen from Sales of goods and food services, and 10.9 billion yen from Real estate. Each of these businesses had highs and lows, but overall I think we can say the project is off to a good start. I also think that completion of the new station building will stimulate activity at Osaka Station, which will provide a steady increase in earnings over the longer term.

In this second year for the project, we consider further enhancing customer drawing power to be an issue, and are planning various events to generate excitement. For example, at JR Osaka Mitsukoshi Isetan, we are attracting customers by holding a storewide lottery drawing, and providing special incentives to cardholders. We are also furthering concerted group efforts in product development and promotions, such as offering travel packages and promotional tickets that include special benefits in Osaka Station City.

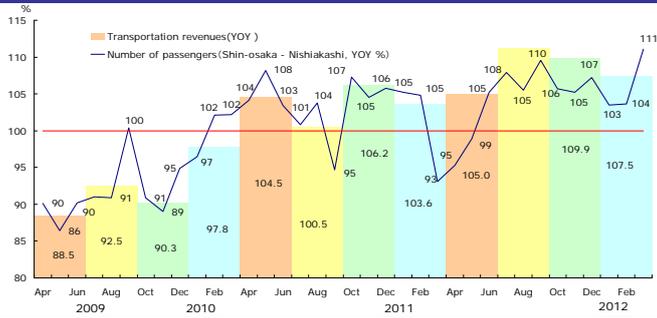
Shinkansen (Trend of revenue and passenger volume)



Revenue trend and forecast



Revenues and passenger volume



Next, I would like to explain Shinkansen business.

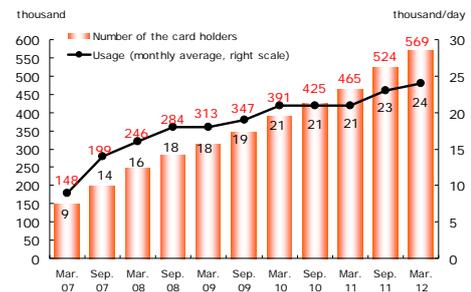
Further “brush-up” of the Sanyo Shinkansen

<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

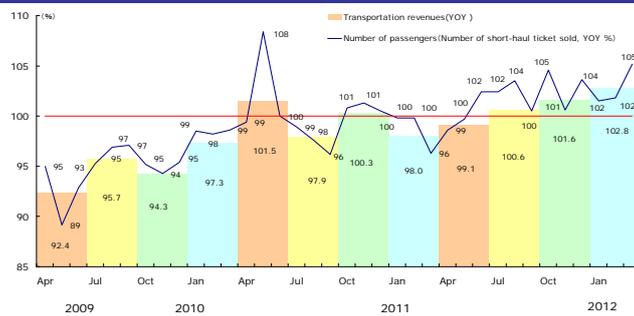
For the Sanyo Shinkansen, we expect competition with airlines to become more intense. Rather than focus just on simple price competitiveness, we plan maximize the appeal of the Shinkansen to customers by emphasizing such aspects as the greater frequency of trains, the highly convenient internet reservation system, and measures to expand the usage area for electronic devices in cars.

We also plan to capture inbound travel demand through such measures as the Sanyo Destination Campaign and other tourism campaigns, the JR Sanyo-Shikoku-Kyushu Rail Pass mentioned earlier, and launch of the JR-West Rail Pass (Kansai Wide Area Pass). We expect these measures to increase revenues both in market size and share.

Revenue trend and forecast



Revenues and passenger volume



The trend of passenger volume in Kyoto-Osaka-Kobe area is positive due mainly to the opening of Osaka Station City.

In current fiscal year, JR West makes an effort to attract more customers and steadily promotes "Coexistence with local communities" .

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



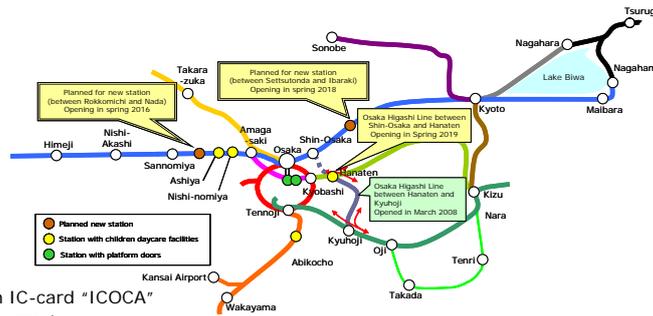
- Enhance value of our railway belts based on the principle of "Coexistence with local communities"
 - Enhance services for stations and neighborhoods
 - Expand station-based services such as the "Ekirinkun" rental bicycle service and child daycare facilities
 - Launch childcare and family information 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)

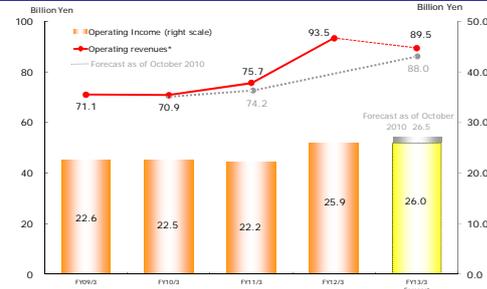
Non-transportation Business



Retail



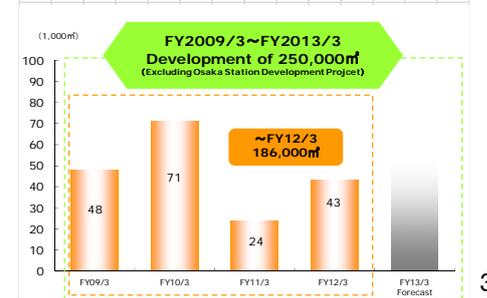
Real Estate



Other



Plan and Results for Development in and around Stations



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

Next I would like to explain future initiatives in non-transportation business.

The JR West Group makes an effort to enhance the value of our railway belt by renovating stores in stations, as well as through station reforms and developing station buildings in both the retail and real estate businesses.

Retail Businesses



【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>

For the JR Osaka Mitsukoshi Isetan department store, up to this point we have made incremental improvements in the merchandise lineup, but in addition to these efforts, we are currently working with West Japan Railway Isetan and Isetan Mitsukoshi Holdings to develop more fundamental strategies. We are not at the stage where we can discuss these ideas, but hope to finalize them as soon as possible.

The competitive environment will become more intense in FY2013/3 with the opening of the Umekita Phase I project, and the renovation of the Umeda Hankyu Department Store in the fall. At the same time, however, since commercial facilities will be even more concentrated in the Umeda district, we will take steps to draw shoppers to our facilities and increase sales.

Real Estate Businesses



【Real estate lease and sale】

○ Lease:

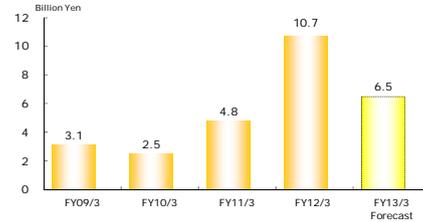
- Development of the former Kyoto Yayoi Kaikan building (Nijo) (opened in Dec 2011)
- Grand opening of Viera-Nara (opened in March 2012)
- Hold events to commemorate the 15th anniversary of the opening of the Kyoto Station Building

○ 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

<Sales trend of condominiums>



【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

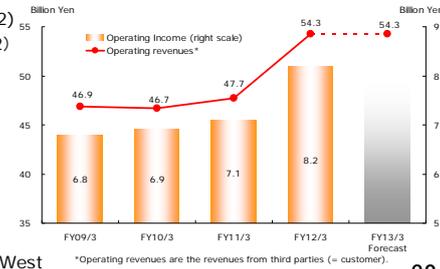


(Image) Himeji Station Building



(Image) Okayama Station West Gate building

<Sales and income trend of shopping centers>



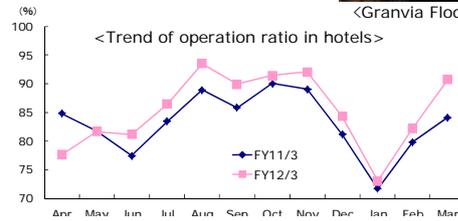
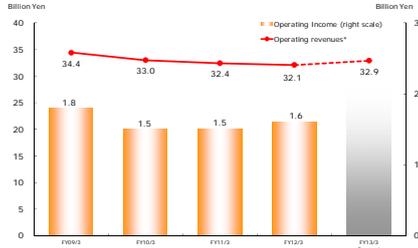
*Operating revenues are the revenues from third parties (= customer).

Other Businesses



【 Hotel business 】

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

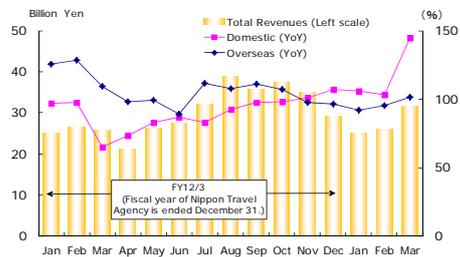
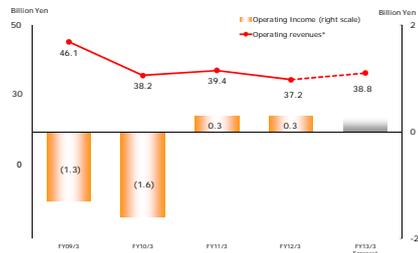


【 Travel Agency (Nippon Travel Agency) 】

○ 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)

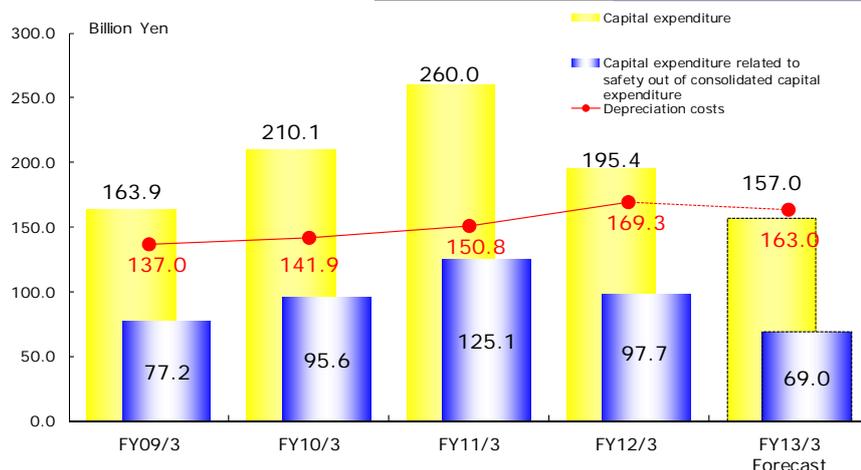


【Difference between the forecasts】

(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>	<Safety-related CAPEX>
ORenewal of passenger gate system	OSafety measures and disaster prevention facilities such as ATS-P
OBarrier-free facilities	OTrain operating status recorder
OOsaka Station Development Project	OMeasures to prevent physical injuries and railway crossing accidents
	OMeasures to prevent a derailment of Shinkansen
	OIntroduction of new rolling stock for express train "Kuroshio"



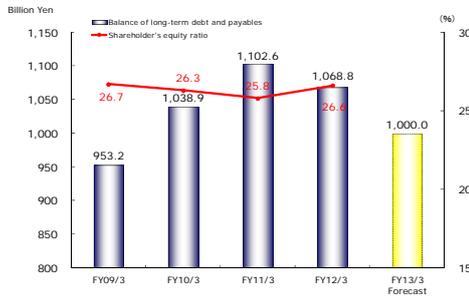
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Capital expenditure peaked in the fiscal year ending March 2011 due to the investment for two major project and introduction of new rolling stocks and so on. Capital expenditure for current fiscal year is forecasted to be 157.0 billion yen on a consolidated basis and 127.0 billion yen on a non-consolidated basis including 69.0 billion yen of safety related capital expenditure.

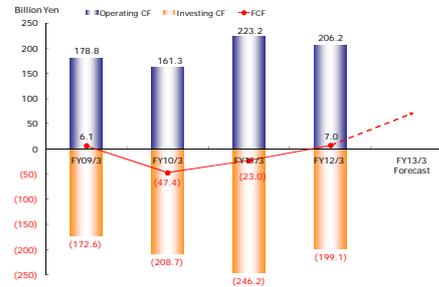
As a result, total capital expenditure over 5 years until the fiscal year ending March 2013 would be 980.0 billion yen on a consolidated basis and 780.0 billion yen on a non-consolidated basis, as shown in "Revision of JR West Group's Medium-Term Management plan 2008-2012".

Safety-related capital expenditure is anticipated to increase 30.0 billion yen from original plan of 430.0 billion yen to 460.0 billion yen, due mainly to the introduction ahead of schedule of the "225 series" rolling stocks for commuter trains with a stronger body, and to additional anti-earthquake measures.

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

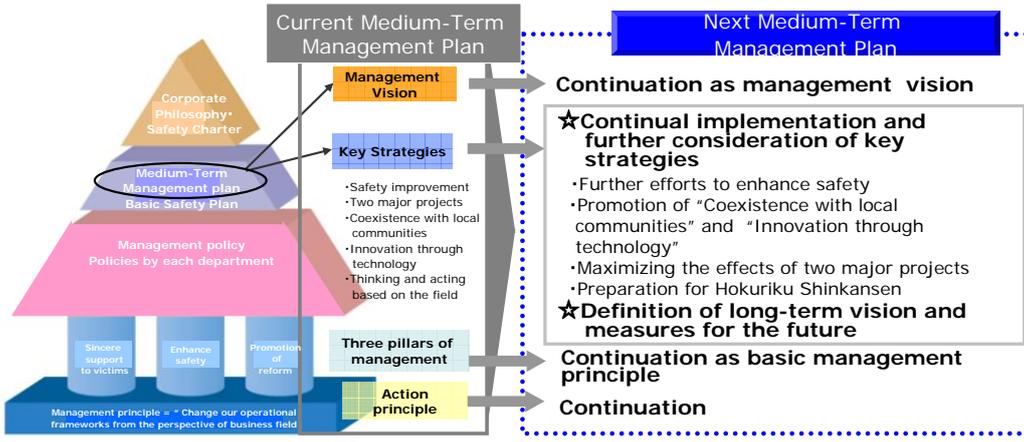
Free cash flow in the current fiscal year is forecast to greatly exceed that in the last fiscal year, during which it turned to positive for the first time in three years.

In terms of dividend for current fiscal year, JR-West increased annual dividend per share by 10 yen from last fiscal year to 100 yen. JR-West has not changed its policy to aim for consolidated DOE of 3% in current fiscal year ending March 2013, last fiscal year in the current medium term management plan, on condition that projects yield results.

However, mentioned earlier, we cannot dismiss the uncertainties in the business environment. Therefore, we plan to decide on our dividend plan for the current fiscal year after taking into consideration such factors as whether we can achieve the financial targets of "JR West Group's Medium Term Management Plan," taking into account such risks as the potential for downturn arising from a global recession, and monitoring the results of our two major projects.

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.



For the next medium-term management plan, we plan to maintain our three management pillars of “Support for accident victims,” “Enhancing safety” and “Furthering reform,” as well as the management vision that reflects our aspirations as a company. We will also keep in place priority strategies in our current management plan, “Coexistence with local communities” and “Innovation by technology.”

As we reach the 25th anniversary of our founding, we will be looking back on our management record up to now, painting a long-term picture of what we hope to accomplish as a company, and considering carefully the means to achieve it.

At this point we are still holding internal discussions, and I am not able to provide specific contents, including the timing of the announcement. In the meantime, to achieve the goals of the current medium-term management plan we will steadily implement the measures noted at the beginning of this presentation, and while confirming the results, hold through discussions going forward, including on the next Safety Plan.

(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 Shinkansen = limited express train "Hokutaka"

*2 Average speed of Shinkansen assumes 190km/h

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

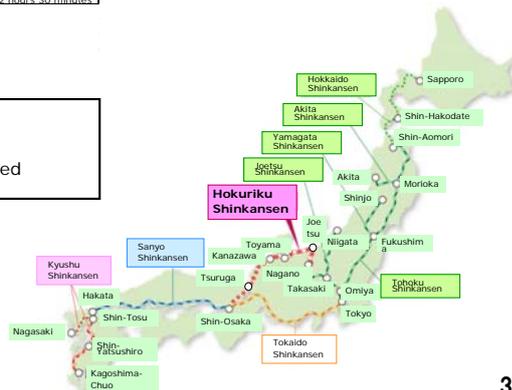
○ Kanazawa - Tsuruga (Approx.130km)

<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)



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For reference, I would like to explain the Hokuriku Shinkansen plans.

The Japan Railway Construction, Transport and Technology Agency (JR TT) is currently constructing the section linking Nagano and Kanazawa, with completion planned for the end of fiscal 2015. JR-West plans to operate services on the section west of Joetsu Station in Niigata Prefecture, paying rent to JR TT to the extent of earnings received. Specific timetables are still being formulated, but once opened the travel time from Kanazawa and Toyama to Tokyo will be shortened considerably, enhancing convenience.

JR-West expects the need for new capital investments such as trains, but at this point plans are still being formulated. We will disclose specifics on train equipment and investment costs and other details at a later date.

The Japanese government and ruling party has also indicated an intention to authorize construction of the segment between Kanazawa and Tsuruga, presuming the fulfillment of the "five conditions" for the start of work, and the formulation of a plan for the segment west of Tsuruga. JR-West would naturally prefer the opening of a line to Osaka as early as possible, but for the time being this segment will be a link between the Kansai/Chukyo and Hokuriku regions, and we consider the extension to Tsuruga, which will provide a certain degree of benefit, to be a firm step forward toward the opening of the complete line.

In the plan for the extension of the line to Tsuruga, the Japanese government and ruling party has indicated the necessity to "avoid as much as possible any inconvenience to passengers caused by changing trains at Tsuruga," and in this connection has suggested using gauge change trains. We think that despite the technology issues, this is preferable in terms of avoiding the difficulties when changing between conventional lines and the Shinkansen at Tsuruga, and are studying the issue.

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.
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 - 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.