

Results for the fiscal year ended March 2013 and Future Initiatives



May 2, 2013

West Japan Railway Company

I . Results for FY2013/3 and forecasts for FY2014/3

Financial Highlights

¥ Billions

	Results FY2012/3 A	Results FY2013/3 B	YOY		Forecasts FY2014/3 C	YOY	
			Increase/ (Decrease) B-A	% 1-B/A		Increase/ (Decrease) C-B	% 1-C/B
【Consolidated】							
Operating Revenues	1,287.6	1,298.9	11.2	0.9	1,310.5	11.5	0.9
Operating Income	109.7	129.4	19.6	17.9	125.0	(4.4)	(3.5)
Recurring Profit	82.4	104.6	22.2	26.9	101.5	(3.1)	(3.0)
Net Income	29.4	60.1	30.7	104.1	57.5	(2.6)	(4.5)
【Non-Consolidated】							
Operating Revenues	862.1	868.5	6.3	0.7	866.5	(2.0)	(0.2)
Transportation Revenues	758.7	769.1	10.3	1.4	775.0	5.8	0.8
Operating Expenses	772.8	766.1	(6.7)	(0.9)	772.5	6.3	0.8
Personnel costs	237.9	233.3	(4.5)	(1.9)	235.0	1.6	0.7
Non personnel costs	339.5	342.7	3.2	0.9	351.5	8.7	2.5
Energy costs	36.2	37.1	0.9	2.5	44.0	6.8	18.5
Maintenance costs	133.3	136.5	3.1	2.4	140.5	3.9	2.9
Miscellaneous costs	169.9	169.1	(0.8)	(0.5)	167.0	(2.1)	(1.2)
Depreciation	140.7	134.7	(6.0)	(4.3)	131.0	(3.7)	(2.8)
Operating Income	89.2	102.3	13.0	14.6	94.0	(8.3)	(8.1)
Recurring Profit	62.8	77.5	14.6	23.4	71.0	(6.5)	(8.5)
Net Income	22.1	41.9	19.7	89.2	43.5	1.5	3.8

Note: Figures in bracket () are negative values.

Non-Consolidated Financial Results



¥ Billions

	Results FY2012/3 A	FY2013/3		YOY		Difference from the forecasts Increase/ (Decrease) C-B
		Forecasts (As of 1/30) B	Results C	Increase/ (Decrease) C-A	% 1-C/A	
Operating Revenues	862.1	863.5	868.5	6.3	0.7	5.0
Transportation revenues	758.7	765.0	769.1	10.3	1.4	4.1
Other	103.4	98.5	99.3	(4.0)	(3.9)	0.8
Operating Expenses	772.8	764.5	766.1	(6.7)	(0.9)	1.6
Personnel costs	237.9	233.0	233.3	(4.5)	(1.9)	0.3
Non personnel costs	339.5	341.5	342.7	3.2	0.9	1.2
Energy costs	36.2	38.0	37.1	0.9	2.5	(0.8)
Maintenance costs	133.3	134.5	136.5	3.1	2.4	2.0
Miscellaneous costs	169.9	169.0	169.1	(0.8)	(0.5)	0.1
Rental payments, etc.	23.6	23.5	23.4	(0.1)	(0.5)	(0.0)
Taxes	30.9	32.0	31.7	0.7	2.5	(0.2)
Depreciation	140.7	134.5	134.7	(6.0)	(4.3)	0.2
Operating Income	89.2	99.0	102.3	13.0	14.6	3.3
Non-operating revenues and expenses	(26.4)	(24.5)	(24.7)	1.6	(6.2)	(0.2)
Non-operating revenues	7.1	6.5	6.4	(0.7)	—	(0.0)
Non-operating expenses	33.5	31.0	31.1	(2.3)	—	0.1
Recurring Profit	62.8	74.5	77.5	14.6	23.4	3.0
Extraordinary profit and loss, net	(1.7)	1.5	0.1	1.9	—	(1.3)
Extraordinary profit	23.1	—	39.9	16.8	—	—
Extraordinary loss	24.8	—	39.7	14.9	—	—
Net Income	22.1	41.0	41.9	19.7	89.2	0.9

Note: Figures in bracket () are negative values.

Major Factors of Increase/Decrease in Transportation Revenues



¥ Billions

Results FY2013/3					
Transportation revenues		YOY Increase/(Decrease)		Major factors	
		Amount	%		Amount
Shinkansen	357.0	5.5	1.6	Fundamentals 1.5%	5.2
				Special factors	
				Rebound of the Great East Japan Earthquake	1.0
				Golden week·Convenient holidays	1.1
				Direct service between the Sanyo and the Kyushu Shinkansen	(2.0)
				etc.	
Kyoto-Osaka-Kobe Area conventional lines	291.4	4.0	1.4	Fundamentals 1.1%	3.2
				Special factors	
				Rebound of the Great East Japan Earthquake	0.6
				Golden week·Convenient holidays	0.3
				etc.	
Other conventional lines	120.6	0.7	0.7	Fundamentals 0.2%	0.2
				Special factors	
				Rebound of the Great East Japan Earthquake	0.5
				Golden week·Convenient holidays	0.3
				etc.	
Conventional lines	412.0	4.8	1.2		
Total	769.1	10.3	1.4		

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

¥ Billions

	Fiscal Year (4/1~3/31)			3 months (4Q) (1/1~3/31)		
	FY2012/3	FY2013/3	YOY	FY2012/3	FY2013/3	YOY
Total	758.7	769.1	10.3 1.4%	184.8	186.0	1.2 0.7%
Shinkansen	351.5	357.0	5.5 1.6%	84.0	84.6	0.5 0.7%
Commuter Passes	8.9	9.0	0.1 1.3%	2.1	2.2	0.0 1.1%
Non-Commuter Passes	342.5	347.9	5.4 1.6%	81.8	82.4	0.5 0.7%
Conventional Lines	407.2	412.0	4.8 1.2%	100.7	101.4	0.6 0.7%
Commuter Passes	140.4	140.2	(0.2) (0.2%)	33.6	33.4	(0.1) (0.6%)
Non-Commuter Passes	266.7	271.8	5.0 1.9%	67.0	67.9	0.8 1.3%
Kyoto-Osaka-Kobe Area	287.3	291.4	4.0 1.4%	70.8	71.7	0.9 1.3%
Commuter Passes	113.4	113.2	(0.1) (0.2%)	27.3	27.1	(0.1) (0.5%)
Non-Commuter Passes	173.8	178.1	4.2 2.4%	43.4	44.5	1.0 2.5%
Other Lines	119.8	120.6	0.7 0.7%	29.9	29.6	(0.2) (0.9%)
Commuter Passes	27.0	26.9	(0.0) (0.3%)	6.3	6.3	(0.0) (0.8%)
Non-Commuter Passes	92.8	93.7	0.8 0.9%	23.5	23.3	(0.2) (0.9%)

Passenger-Kilometers

Millions of passenger-kilometers

	Fiscal Year (4/1~3/31)			3 months (4Q) (1/1~3/31)		
	FY2012/3	FY2013/3	YOY	FY2012/3	FY2013/3	YOY
Total	54,117	54,769	652 1.2%	12,943	12,986	42 0.3%
Shinkansen	16,878	17,171	293 1.7%	3,978	4,020	41 1.0%
Commuter Passes	722	736	13 1.9%	176	177	1 0.9%
Non-Commuter Passes	16,155	16,434	279 1.7%	3,802	3,842	39 1.0%
Conventional Lines	37,239	37,598	359 1.0%	8,965	8,965	0 0.0%
Commuter Passes	22,788	22,728	(59) (0.3%)	5,340	5,277	(63) (1.2%)
Non-Commuter Passes	14,450	14,869	419 2.9%	3,624	3,688	63 1.8%
Kyoto-Osaka-Kobe Area	28,218	28,490	271 1.0%	6,792	6,808	15 0.2%
Commuter Passes	18,440	18,398	(41) (0.2%)	4,356	4,308	(48) (1.1%)
Non-Commuter Passes	9,778	10,091	313 3.2%	2,436	2,499	63 2.6%
Other Lines	9,020	9,108	87 1.0%	2,172	2,157	(14) (0.7%)
Commuter Passes	4,348	4,330	(18) (0.4%)	983	969	(14) (1.5%)
Non-Commuter Passes	4,672	4,778	106 2.3%	1,188	1,188	0 0.0%

Note: Figures in bracket () are negative values.

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

¥ Billions

Item	Results FY2013/3			
		YOY		Major factors
		Increase/ (Decrease)	%	
Personnel costs	233.3	(4.5)	(1.9)	•Decrease in amortization of accumulated unrecognized actuarial differences due to revision of basic rate of retirement benefits obligation (2.9), etc.
Energy costs	37.1	0.9	2.5	•Increase in fuel price, etc.
Maintenance costs	136.5	3.1	2.4	•Increase in removal costs, excluding contributions from third parties, etc.
Miscellaneous costs	169.1	(0.8)	(0.5)	•Decrease in payments for other JR companies (4.0) •Increase in system related costs 1.0
Rental Payments, etc	23.4	(0.1)	(0.5)	
Taxes	31.7	0.7	2.5	•Increase in property taxes, etc.
Depreciation and amortization	134.7	(6.0)	(4.3)	•Decrease in the conclusion of the additional depreciation of residual value related to the change in the system of depreciation in 2007, etc.
Total	766.1	(6.7)	(0.9)	

Note: Figures in bracket () are negative values.

Consolidated Financial Results



¥ Billions

	Results FY2012/3 A	FY2013/3		YOY		Difference from the forecasts Increase/ (Decrease) C-B
		Forecasts (As of 1/30) B	Results C	Increase/ (Decrease) C-A	% 1-C/A	
Operating Revenues	1,287.6	1,289.0	1,298.9	11.2	0.9	9.9
Operating Expenses	1,177.8	1,168.0	1,169.4	(8.4)	(0.7)	1.4
Operating Income	109.7	121.0	129.4	19.6	17.9	8.4
Non-operating revenues and expenses	(27.3)	(25.0)	(24.8)	2.5	(9.2)	0.1
Non-operating revenues	7.9	7.0	6.8	(1.1)	-	(0.1)
Non-operating expenses	35.2	32.0	31.6	(3.6)	-	(0.3)
Recurring Profit	82.4	96.0	104.6	22.2	26.9	8.6
Extraordinary profit and loss, net	(2.2)	(3.0)	(4.9)	(2.7)	-	(1.9)
Extraordinary profit	27.6	-	41.5	13.9	-	-
Extraordinary loss	29.8	-	46.5	16.7	-	-
Net Income	29.4	56.0	60.1	30.7	104.1	4.1
<i>Comprehensive Income</i>	27.6	-	55.0	27.3	98.9	-

Note: Figures in bracket () are negative values.

Consolidated Financial Results (Segment Information)



¥ Billions

	Results FY2012/3 A	FY2013/3		YOY		Difference from the forecasts Increase/ (Decrease) C-B
		Forecasts (As of 1/30) B	Results C	Increase/ (Decrease) C-A	% 1-C/A	
Operating Revenues* ¹	1,287.6	1,289.0	1,298.9	11.2	0.9	9.9
Transportation	839.0	840.4	844.9	5.8	0.7	4.5
Retail	233.5	235.8	234.6	1.1	0.5	(1.1)
Sales of goods and food services	133.4	133.7	134.4	0.9	0.7	0.7
Department Stores	94.9	97.6	93.5	(1.4)	(1.5)	(4.1)
Real estate	93.5	89.5	90.9	(2.6)	(2.9)	1.4
Shopping center	54.3	54.3	55.0	0.7	1.3	0.7
Real estate lease and sale* ³	37.6	33.7	34.2	(3.3)	(8.9)	0.5
	[10.7]	[6.5]	[6.9]			
Other businesses	121.4	123.3	128.4	6.9	5.7	5.1
Hotel	32.1	32.9	33.0	0.9	2.8	0.1
Nippon Travel Agency	37.2	38.8	38.8	1.6	4.4	0.0
Operating Income* ²	109.7	121.0	129.4	19.6	17.9	8.4
Transportation	76.7	86.5	90.1	13.3	17.4	3.6
Retail	(2.9)	(1.6)	(0.4)	2.4	-	1.1
Sales of goods and food services	3.1	-	3.3	0.2	7.1	-
Department stores	(6.3)	-	(4.0)	2.2	-	-
Real estate	25.9	26.2	28.0	2.0	7.7	1.8
Shopping center	8.2	-	8.7	0.5	6.6	-
Real estate lease and sale	6.3	-	8.1	1.7	27.8	-
Other businesses	10.3	10.2	12.3	1.9	19.0	2.1
Hotel	1.6	-	2.3	0.6	39.6	-
Nippon Travel Agency	0.3	-	0.7	0.4	107.2	-

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. (Revenues from third parties) (Included in Real estate lease and sale)

Non-Consolidated Financial Forecasts

¥ Billions

	Results FY2013/3	Forecasts FY2014/3	YOY	
			Increase/ (Decrease)	%
	A	B	B-A	1-B/A
Operating Revenues	868.5	866.5	(2.0)	(0.2)
Transportation revenues	769.1	775.0	5.8	0.8
Other	99.3	91.5	(7.8)	(7.9)
Operating Expenses	766.1	772.5	6.3	0.8
Personnel costs	233.3	235.0	1.6	0.7
Non personnel costs	342.7	351.5	8.7	2.5
Energy costs	37.1	44.0	6.8	18.5
Maintenance costs	136.5	140.5	3.9	2.9
Miscellaneous costs	169.1	167.0	(2.1)	(1.2)
Rental payments, etc.	23.4	23.5	0.0	0.0
Taxes	31.7	31.5	(0.2)	(0.8)
Depreciation	134.7	131.0	(3.7)	(2.8)
Operating Income	102.3	94.0	(8.3)	(8.1)
Non-operating revenues and expenses	(24.7)	(23.0)	1.7	(7.1)
Non-operating revenues	6.4	6.2	(0.2)	—
Non-operating expenses	31.1	29.2	(1.9)	—
Recurring Profit	77.5	71.0	(6.5)	(8.5)
Extraordinary profit and loss, net	0.1	—	(0.1)	—
Extraordinary profit	39.9	—	—	—
Extraordinary loss	39.7	—	—	—
Net Income	41.9	43.5	1.5	3.8

Note: Figures in bracket () are negative values.

Transportation Revenue Forecasts

¥ Billions

	Results FY2013/3 A	Forecasts FY2014/3 B	YOY	
			Increase/ (Decrease) B-A	% 1-B/A
Shinkansen	357.0	362.7	5.7	1.6
Kyoto-Osaka-Kobe Area lines	291.4	292.3	0.9	0.3
Other lines	120.6	119.8	(0.7)	(0.6)
Conventional lines	412.0	412.2	0.1	0.0
Transportation revenues	769.1	775.0	5.8	0.8

Note: Revenues from luggage transportation are omitted due to the small amount.
 Figures in bracket () are negative values.

Operating Expenses Forecasts (Non-Consolidated)



¥ Billions

Item	Forecasts FY2014/3			
		YOY		Major factors (YOY)
		Increase/ (Decrease)	%	
Personnel costs	235.0	1.6	0.7	•Increase in the rate of health insurance and employees' pension insurance, etc.
Energy costs	44.0	6.8	18.5	•Increase in electricity charges and fuel price, etc.
Maintenance costs	140.5	3.9	2.9	•Increase in rail replacement costs, etc.
Miscellaneous costs	167.0	(2.1)	(1.2)	•Decrease in payments for other JR companies •Increase in system related costs •Increase in electricity charges, etc.
Rental Payments, etc	23.5	0.0	0.0	
Taxes	31.5	(0.2)	(0.8)	•Decrease in property taxes, etc.
Depreciation and amortization	131.0	(3.7)	(2.8)	•Progress of depreciation and amortization
Total	772.5	6.3	0.8	

Note: Figures in bracket () are negative values.

Consolidated Financial Forecasts

¥ Billions

	Results FY2013/3 A	Forecasts FY2014/3 B	YOY	
			Increase/ (Decrease) B-A	% 1-B/A
Operating Revenues	1,298.9	1,310.5	11.5	0.9
Operating Expenses	1,169.4	1,185.5	16.0	1.4
Operating Income	129.4	125.0	(4.4)	(3.5)
Non-operating revenues and expenses	(24.8)	(23.5)	1.3	(5.3)
Non-operating revenues	6.8	6.7	(0.1)	-
Non-operating expenses	31.6	30.2	(1.4)	-
Recurring Profit	104.6	101.5	(3.1)	(3.0)
Extraordinary profit and loss, net	(4.9)	(3.0)	1.9	-
Extraordinary profit	41.5	-	-	-
Extraordinary loss	46.5	-	-	-
Net Income	60.1	57.5	(2.6)	(4.5)
Net income per share(¥)	310.87	296.94	-	-

Note: Figures in bracket () are negative values.

Consolidated Financial Forecasts (Segment Information)

¥ Billions

	Results FY2013/3	Forecasts FY2014/3	YOY	
			Increase/ (Decrease)	%
	A	B	B-A	1-B/A
Operating Revenues* ¹	1,298.9	1,310.5	11.5	0.9
Transportation	844.9	844.0	(0.9)	(0.1)
Retail	234.6	236.4	1.7	0.7
Sales of goods and food services	134.4	131.6	(2.8)	(2.1)
Department Stores	93.5	96.0	2.4	2.7
Real estate	90.9	103.8	12.8	14.2
Shopping center	55.0	52.7	(2.3)	(4.3)
Real estate lease and sale* ²	34.2	49.4	15.1	44.0
	[6.9]	[21.8]		
Other businesses	128.4	126.3	(2.1)	(1.6)
Hotel	33.0	33.1	0.0	0.2
Nippon Travel Agency	38.8	38.5	(0.3)	(1.0)
Operating Income	129.4	125.0	(4.4)	(3.5)
Transportation	90.1	82.7	(7.4)	(8.2)
Retail	(0.4)	3.1	3.5	-
Real estate	28.0	27.7	(0.3)	(1.1)
Other businesses	12.3	11.9	(0.4)	(3.7)

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 Figures in bracket [] are the sales of condominiums. (Revenues from third parties) (Included in Real estate lease and sale)

Consolidated Financial Situation and Statements of Cash Flows

¥ Billions

	As of March 31, 2012 A	As of March 31, 2013 B	Difference increase/ (decrease) B-A
Assets	2,642.9	2,613.7	(29.2)
Liabilities	1,909.4	1,845.5	(63.8)
Net assets	733.5	768.1	34.6
Balance of Long-term Debt and Payables at the end of FY	1,068.8	983.0	(85.7)
【Average interest rate(%)】	【2.86】	【2.84】	【▲0.02】
Shinkansen Purchase Liability	284.5	244.2	(40.2)
【Average interest rate(%)】	【5.56】	【5.69】	【0.13】
Bonds	454.9	449.9	(4.9)
【Average interest rate(%)】	【2.07】	【2.11】	【0.04】
Equity ratio (%)	26.6	28.5	1.9
Net assets per share (¥)	3,632.41	3,850.82	218.41

	Results FY2012/3 A	Results FY2013/3 B	YOY increase/ (decrease) B-A
Cash flows from operating activities	206.2	238.0	31.7
Cash flows from investing activities	(199.1)	(154.7)	44.4
Free cash flows	7.0	83.2	76.1
Cash flows from financing activities	(36.8)	(85.2)	(48.4)
Change in cash and cash equivalents, net	(29.7)	(1.9)	27.7
Cash and cash equivalents at the end of the period	50.3	48.3	(1.9)

Note: Figures in bracket () are negative values.

Other Data

Persons, ¥ Billions

	Results FY2012/3	Results FY2013/3	Forecasts FY2014/3
ROA (% , Consolidated)	4.1	4.9	4.7
ROE (% , Consolidated)	4.2	8.3	7.5
EBITDA (Consolidated) *1	279.1	290.3	281.0
Depreciation (Consolidated)	169.3	160.8	156.0
Capital Expenditure (Consolidated, own fund)	195.4	152.9	192.0
Capital Expenditure (Non-consolidated, own fund)	150.8	124.8	165.0
Safety related capital expenditure	97.7	72.7	89.0
Dividends per share (¥)	90	110	110

*1 EBITDA = Operating Income + Depreciation

	Results FY2012/3		Results FY2013/3		Forecasts FY2014/3	
	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
No. of employees at the end of period	45,402	26,778	45,326	26,889	-	-
Financial Expenses, net	(32.4)	(31.2)	(30.0)	(28.9)	(28.1)	(27.0)
Interest and dividend income	0.4	1.4	0.3	1.3	0.4	1.3
Interest expenses	32.9	32.6	30.4	30.3	28.5	28.3

Note: Figures in bracket () are negative values.

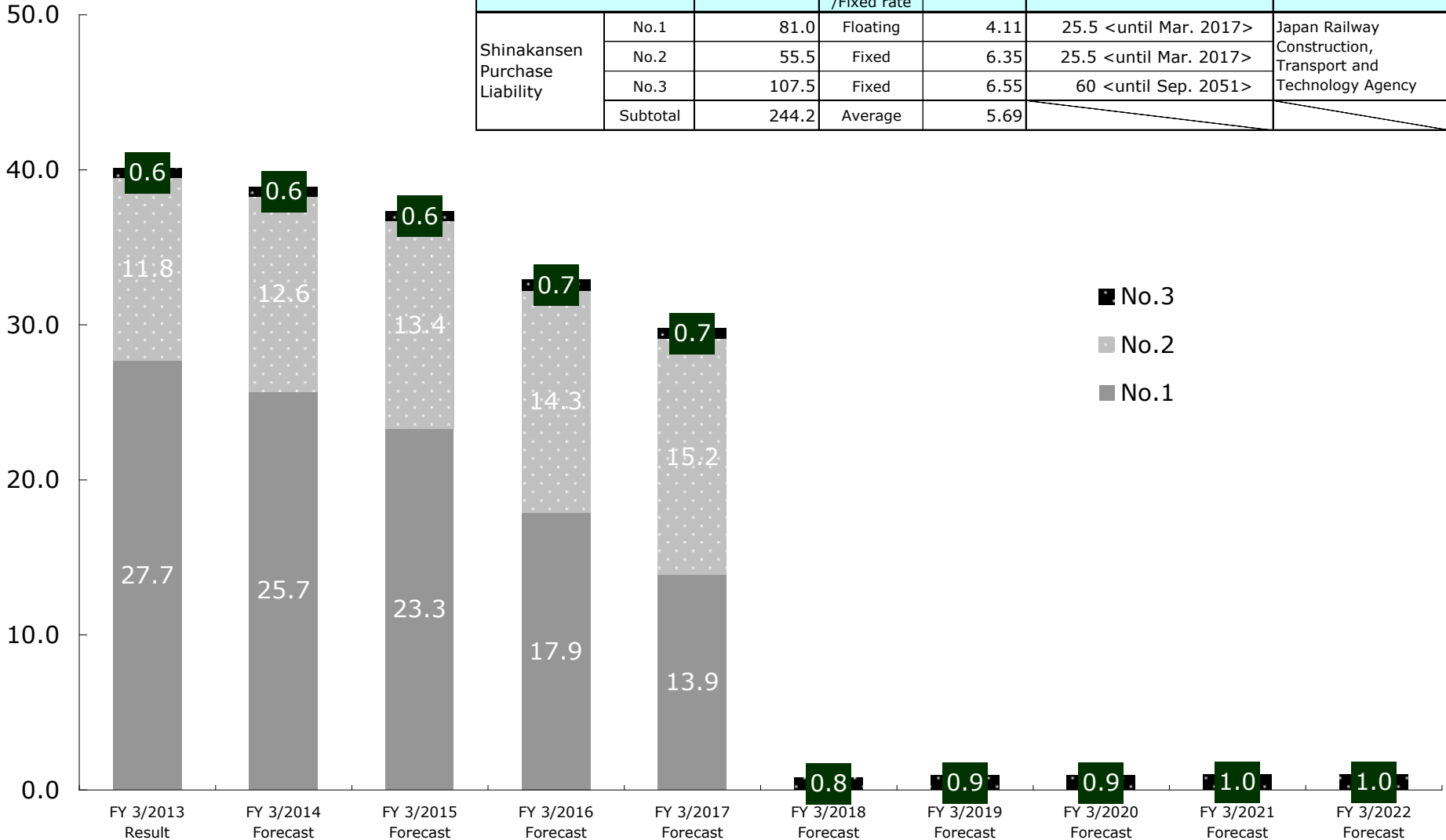
Redemption Plan of Shinkansen Purchase Liability



【As of March 31, 2013】

		Balance (¥Billions)	Interest rate (As of March 31, 2013)		Term (years)	Payment recipient
			Floating /Fixed rate	(%)		
Shinkansen Purchase Liability	No.1	81.0	Floating	4.11	25.5 <until Mar. 2017>	Japan Railway Construction, Transport and Technology Agency
	No.2	55.5	Fixed	6.35	25.5 <until Mar. 2017>	
	No.3	107.5	Fixed	6.55	60 <until Sep. 2051>	
	Subtotal	244.2	Average	5.69		

¥ Billions



II . Review of the “Revision of JR-West Group’s Medium-Term Management Plan 2008-2012”

Results in FY2013/3 and Forecasts for FY2014/3

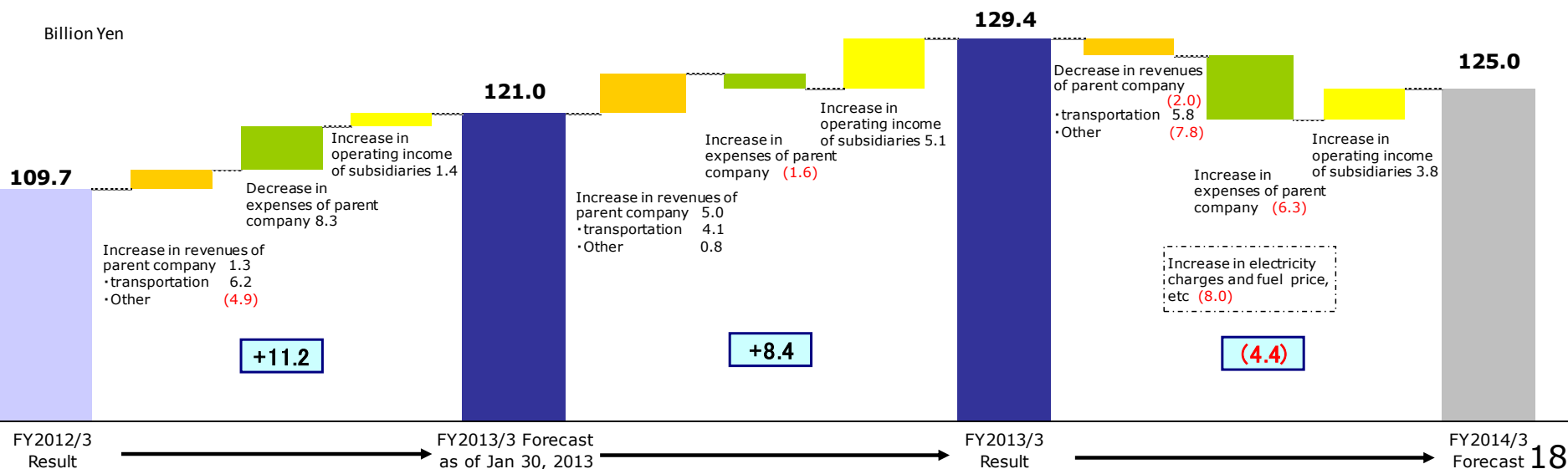
Consolidated Financial Results and Forecasts

¥ Billions

	FY2013/3 Result			FY2014/3 Forecasts		
		YOY Increase/(Decrease)			YOY Increase/(Decrease)	
		Amount	%		Amount	%
Operating Revenues	1,298.9	11.2	0.9	1,310.5	11.5	0.9
Operating Expenses	1,169.4	(8.4)	(0.7)	1,185.5	16.0	1.4
Operating Income	129.4	19.6	17.9	125.0	(4.4)	(3.5)
Recurring Profit	104.6	22.2	26.9	101.5	(3.1)	(3.0)
Net Income	60.1	30.7	104.1	57.5	(2.6)	(4.5)

Trend of consolidated operating income

Billion Yen



Financial Results and Forecasts during Medium-Term Management Plan

¥ Billions

	FY09/3 Results	FY10/3 Results	FY11/3 Results	FY12/3 Results	FY13/3 Results	FY13/3 Forecasts (as of October 2010)
Operating Revenues	1,275.3	1,190.1	1,213.5	1,287.6	1,298.9	1,300.0
Transportation	856.1	797.4	806.4	839.0	844.9	824.5
Retail	215.3	201.9	201.3	233.5	234.6	258.5
Real Estate	71.1	70.9	75.7	93.5	90.9	88.0
Other businesses	132.6	119.6	129.9	121.4	128.4	129.0
Operating Income	122.5	76.5	95.9	109.7	129.4	95.5
Transportation	89.1	45.2	61.1	76.7	90.1	59.0
Retail	4.7	3.1	3.5	(2.9)	(0.4)	2.5
Real Estate	22.6	22.5	22.2	25.9	28.0	26.5
Other businesses	6.7	6.7	9.6	10.3	12.3	9.0
Recurring Profit	94.8	48.1	68.9	82.4	104.6	68.0
Net Income	54.5	24.8	34.9	29.4	60.1	38.5
Transportation Revenues	773.7	720.0	728.0	758.7	769.1	740.0
Transportation	339.1	312.4	323.9	351.5	357.0	336.5
Retail	301.5	286.1	284.4	287.3	291.4	286.0
Real Estate	132.5	121.4	119.6	119.8	120.6	117.5
ROA	5.0%	3.1%	3.7%	4.1%	4.9%	3.6%
ROE	8.4%	3.7%	5.2%	4.2%	8.3%	5.4%
EBITDA	259.5	218.4	246.8	279.1	290.3	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 refer to the railway revenues of JR-West included in the operating revenues of the Transportation segment.

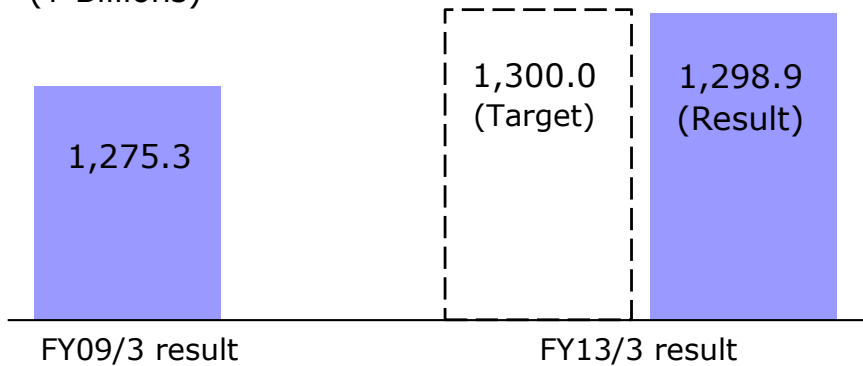
Bold figures represent the financial indicators stated in "Revisions to the JR-West Group's Medium-Term Management Plan 2008-2012" announced on October 28, 2010.

Review of the "Revision of JR-West Group's Medium-Term Management Plan 2008-2012" (financial benchmarks)



Consolidated operating revenues

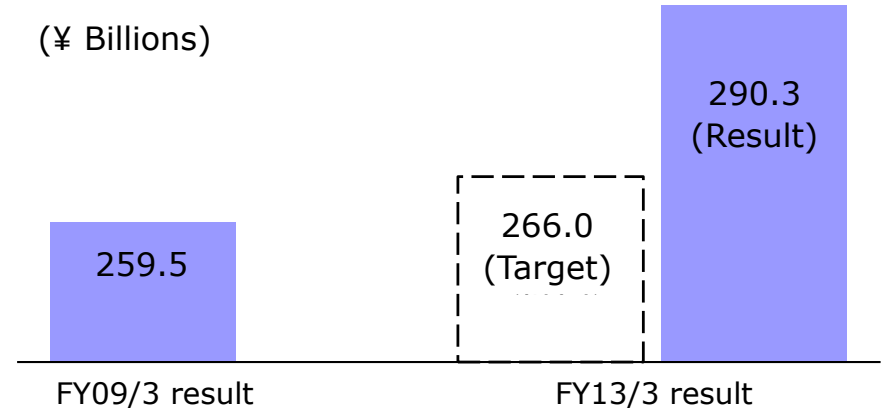
(¥ Billions)



Reached target generally due to favorable transportation revenues centered on Shinkansen

Consolidated EBITDA

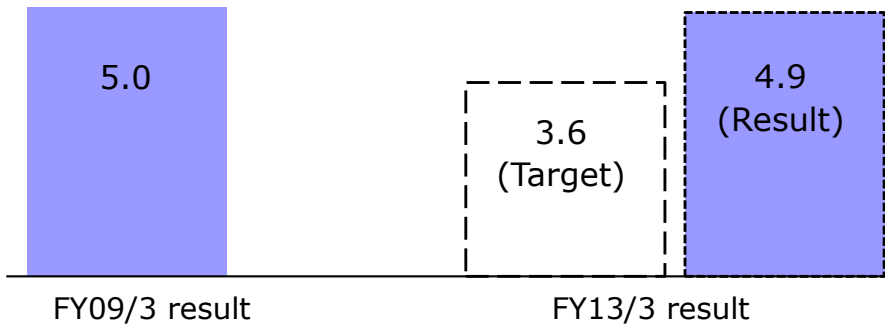
(¥ Billions)



Surpassed target due to favorable transportation revenues centered on Shinkansen

Consolidated ROA

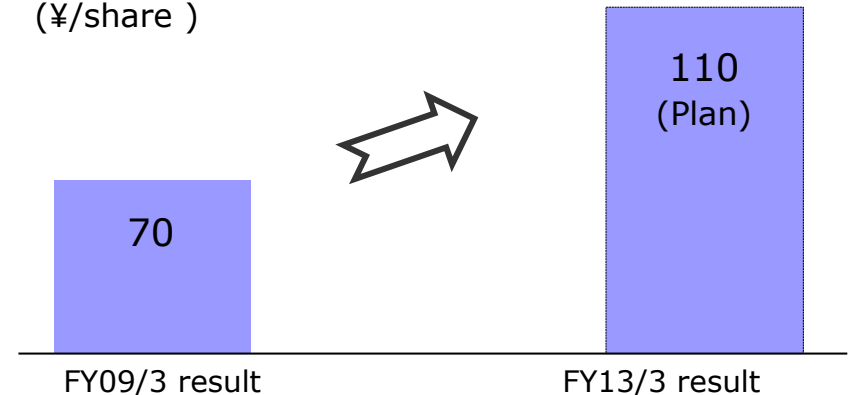
(%)



Surpassed target thanks to above-target consolidated operating income for FY2013/3 (target: ¥95.5 billion → Result: ¥129.4 billion)

Returns to Shareholders

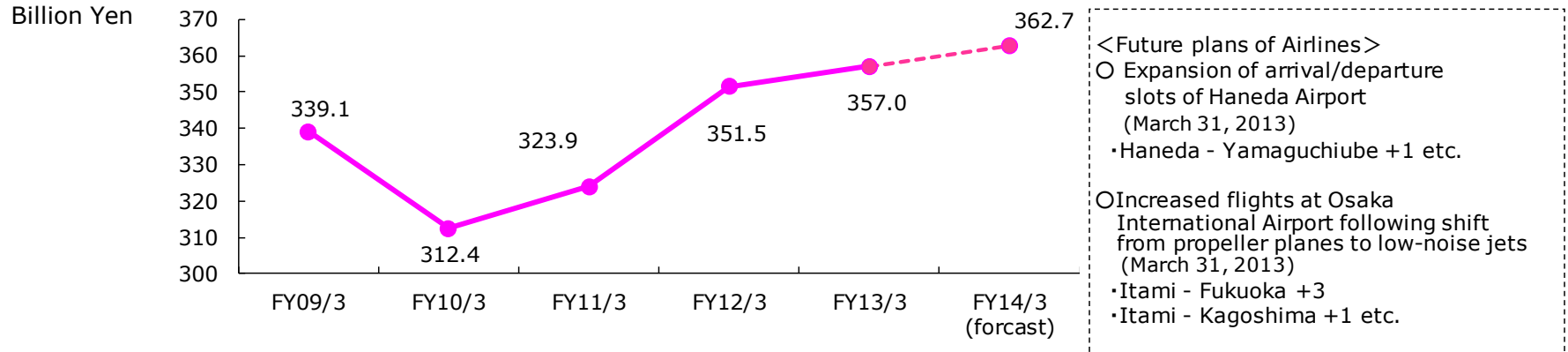
(¥/share)



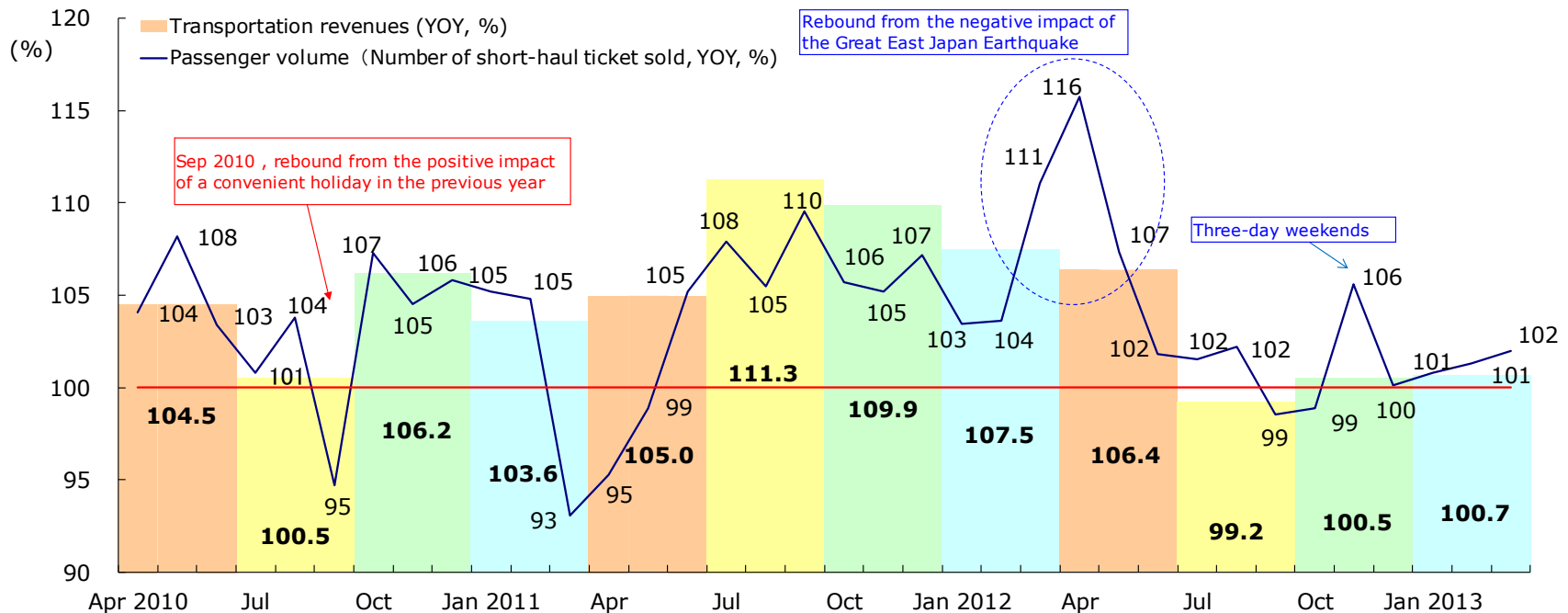
Based on the degree in achievement of three benchmarks, decided that benefits of projects realized in our view
→ Reached consolidated DOE ratio of 3% generally

Ⅲ. Future initiatives

Revenue trend and forecast



Revenues and passenger volume



Improve train timetable (Increase frequency)

- Shin-Osaka – Hakata :56.5 round trips /day, Maximum 5 round trips /hour (“Nozomi” ,“Mizuho”, & “Sakura”)
- West Japan area :Increased frequency of “Nozomi” (Okayama/Hiroshima – Tokyo)
- Tokyo metropolitan area Increased in “Nozomi” stops at Tokuyama Station (Mar. 2013)
- Increased frequency during holiday seasons :Set timetable to run extra “Mizuho” (Mar. 2013)
Increased extra “Nozomi”, “Hikari”, and “Sakura” during “Golden Week” (early-May holiday season)
- Kyusyu Shinkansen :22.5 round trips per day (Shin-Osaka - Kagoshima-Chuo) (Mizuho 5, Sakura 17.5)
Increased frequency of “Sakura” (Hiroshima – Kagoshima-Chuo) (Mar. 2013)
- Reduction in travel time :Shortened the travel time of nearly half of “Nozomi” and “Sakura” (Shin-Osaka - Hakata) (Mar. 2013)

Increase convenience of online reservation service

- Express Reservation : All sections in Sanyo Shinkansen(Sanyo and Tokaido Shinkansen) (July 2006~)
- “e5489” : Sanyo and Kyusyu Shinkansen, and limited express trains etc. in West Japan, Shikoku, and Kyusyu areas (Mar. 2011~)

* Both services offer reduced prices year-round, and users can change reservations until right before departure

Enhance safety and comfort

- Introduced the N700 Series in Sanyo Shinkansen Line (July 2007~)
- Introduced the N700 Series for Kyusyu Shinkansen (4 seats per row for reserved seats, luxurious green car) (Mar. 2011~)
- Started operation of JR Central’s N700A Series in Sanyo Shinkansen Line (Mar. 2013~)
Gradually introduce JR West’s own N700A Series (Dec. 2013~)
- Expand area in which mobile phones can be used: Commence service between Shin-Osaka and Shin-Iwakuni within FY 2014/3 (Currently between Shin-Osaka and Mihara)

Expand the variety of special tickets

- Launched early purchase discount tickets (“Super Haya-Toku” ticket, etc.) (Spring 2013)

Sustain sound facilities and services into the future Enhance ability to respond to natural disasters

1. Maintain and manage tunnels, elevated railway tracks, and other structures appropriately
2. Advance earthquake and tsunami countermeasures and derailment prevention measures
3. Introduce new ATC

Expand business area by creating new demand

1. Capture seniors' demand
 - "Nori Nori ticket" (discount tickets) for Zipangu Club members
 - "Remember Kyusyu" Campaign
2. Capture inbound demand
 - "ICOCA & HARUKA", "JR Sanyo-Shikoku-Kyusyu RAIL PASS" (discount tickets)
 - Expand targets for sales
 - Develop West Japan tourism routes in cooperation with local authorities, communities, and JR-West Group
 - Subtitles for displays in "Haruka" expresses available in 4 languages (Japanese, English, Korean, Chinese), open wireless Internet connections available at Shinkansen stations and major urban stations

Entrench and expand benefits of direct service with the Kyushu Shinkansen Line

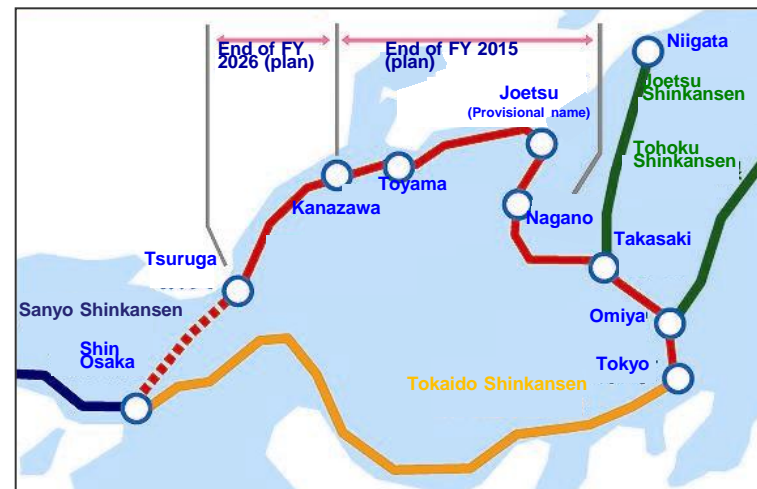
- Continue campaigns and product development in cooperation with communities
 - "Detective Conan Mystery Tour in Kumamoto and Aso"
 - "Remember Kyusyu", "Air & Rail" in Miyazaki, Kumamoto and Kagoshima area
 - Sell products developed through "Kagoshima College" project
 - Publicize the attractiveness of Kansai area through "Santo Monogatari Web"

Shinkansen—Enhance 4. Hokuriku Shinkansen

(Overview of Hokuriku Shinkansen Line)

	Nagano - Kanazawa (approx. 230km)	Kanazawa - Tsuruga (approx. 130km)
JR-West's service area	Joetsu (provisional name) - Kanazawa (approx. 170km)	Kanazawa - Tsuruga (Approx. 130km)
Beginning of operations	End of FY2015 (plan)	End of FY2026 (plan) (construction commencement authorized on June 29, 2012)
Construction contractor	Japan Railway Construction, Transport and Technology Agency (JRTT) (JR-West will operate commercial services, paying a usage fee to JRTT that does not exceed the earnings received.) ^{※1}	
Travel time ^{※2}	Kanazawa-Tokyo: 2h 36m (-71m) Toyama-Tokyo: 2h 17m (-54m)	Undecided
Rolling stock	Introduction of 10 trains planned (12 railcars per train)	Will advance practical application of gauge change trains to heighten convenience for passengers when changing between conventional lines and the Shinkansen at Tsuruga Station

(Hokuriku Shinkansen Line Route Map)



*1 Line usage fees are determined at a level (fixed amount) that does not exceed the earnings received and which balances JR-West's revenues and expenses over the 30-year period after beginning operations.

We have not included the increase in revenues and line usage fees in this medium-term management plan because at the present juncture we have not determined the timetables and fare structures that form the basis of their calculation, making objective and rational calculation difficult.

*2 Travel time: This is based on a comparison with the fastest train service to Tokyo using conventional lines as of March 2012 and assumes an average Shinkansen speed of 190km/h.

1) Promote Usage

1. Increase travel between Hokuriku and Tokyo metropolitan area

- Development tourism routes in cooperation with communities and travel companies and conduct Hokuriku destination campaigns
- Introduce highly convenient Internet reservations

2. Maintain and increase travel between Hokuriku and Kansai

3. Develop and publicize Hokuriku route for travel between Kansai and Joetsu

2) Prepare for beginning of operations to Tsuruga

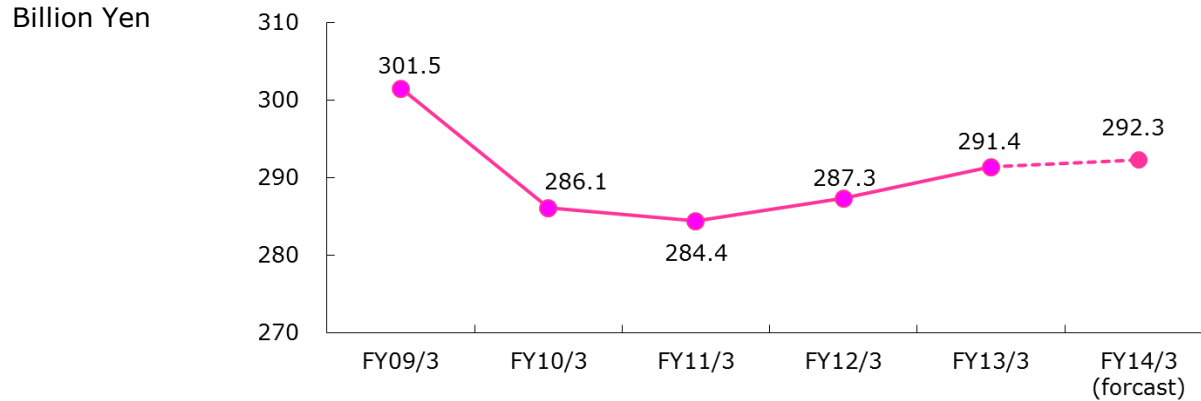
- Develop technology for gauge change trains

❖ Average travel volume per day between Ishikawa/Toyama and Kanto area (FY2012/3) (People)

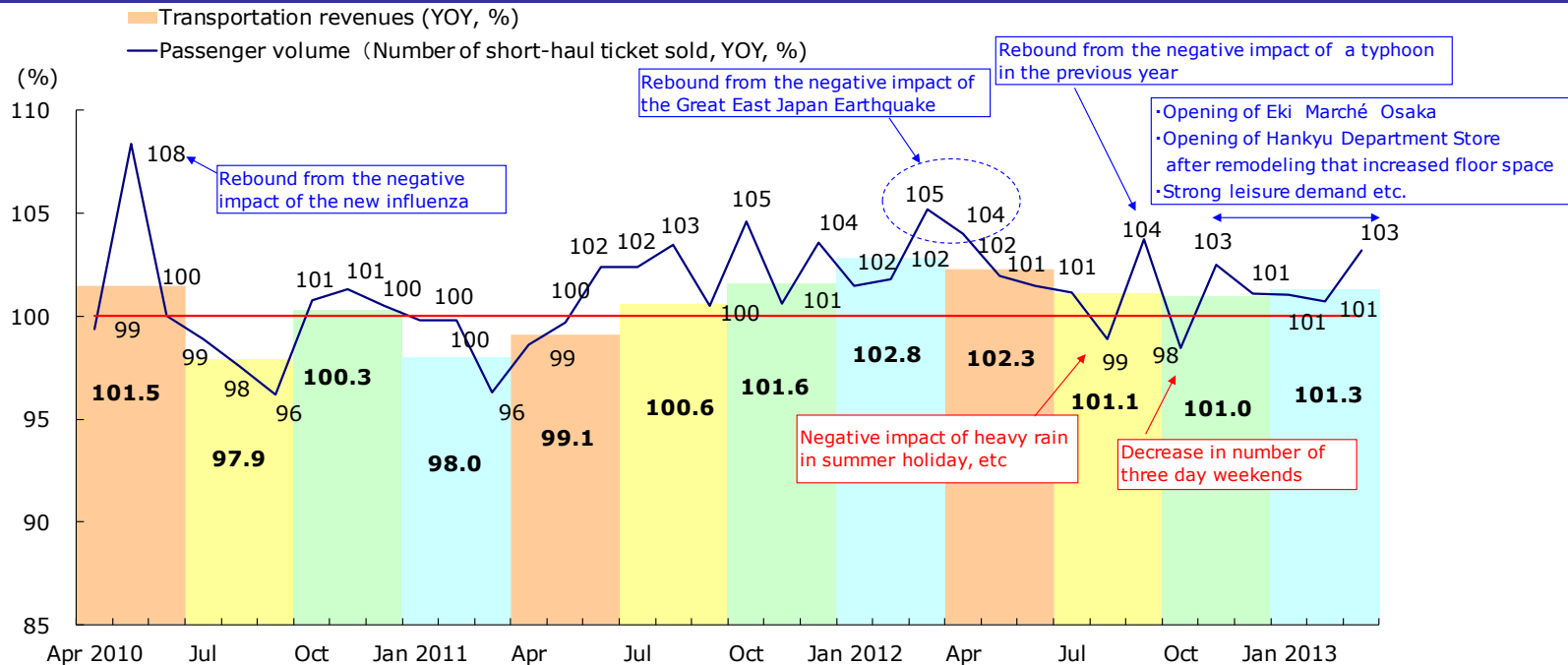
	Railway	Aircraft	Total	Market share
Ishikawa-Kanto	2,823	4,448	7,271	38.8%
Toyama-Kanto	2,895	1,954	4,849	59.7%
Total	5,718	6,402	12,120	47.2%

* Estimates based on "Air Transportation Statistics" of Ministry of Land, Infrastructure, Transport and Tourism, etc.

Revenue trend and forecast



Revenues and passenger volume



1) Make Kansai urban area appealing

1. Create convenient railway belts that people want to reside

- Integrate development of stations, such as conversion to over-track stations and building of new stations, with community development

New stations (provisional name)	Line	Opening period (plan)
Maya	JR Kobe Line	Spring 2016
Higashi-Himeji	JR Kobe Line	Spring 2016
JR Sojiji	JR Kyoto Line	Spring 2018
Kizuri	Osaka Higashi Line	Spring 2018

Station improvement	Completing period (plan)
Sannomiya	Summer 2013
Tennoji	Summer 2013
Amagasaki	Spring 2015
Takatsuki	Spring 2016

- Enhance and expand lifestyle-related services
 - Attract a licensed child institution (Otsu Station): "Second Chausuyama Child Institution" (provisional name)

2. Advance urban tourism

- Provide information about restaurants along Osaka Loop Line
(Osaka Loop Line Gurunavi)

3. Build more convenient railway network

- Advance creation of seamless railway network
 - Start of nationwide reciprocal use of transport IC card
(Mar 23, 2013~)
- Promote new underground station facilities in step with development of Umekita and Osaka Higashi Line (northern part)



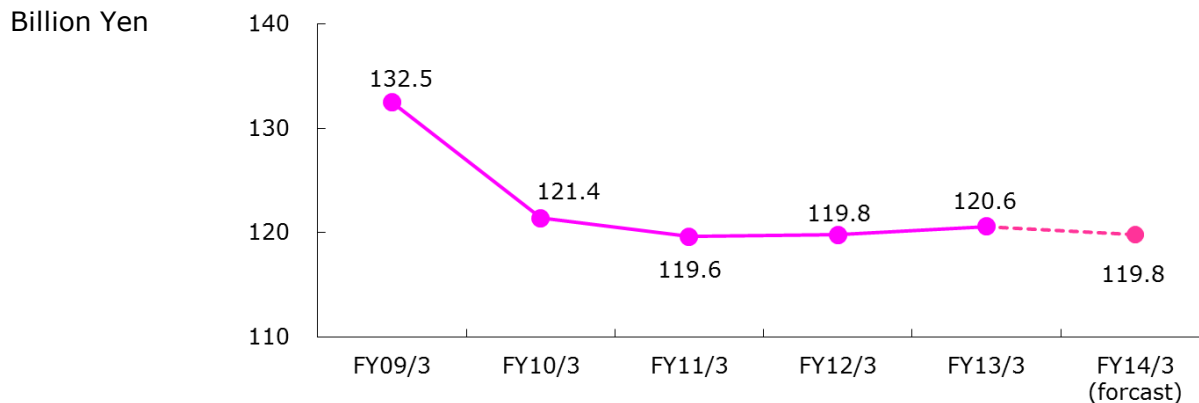
Licensed child institution (Otsu Station)
 • Capacity: 100 people
 (Nursery school 70, kindergarten 30)
 • Opening period: Apr 2014)

2) Increase quality of transportation

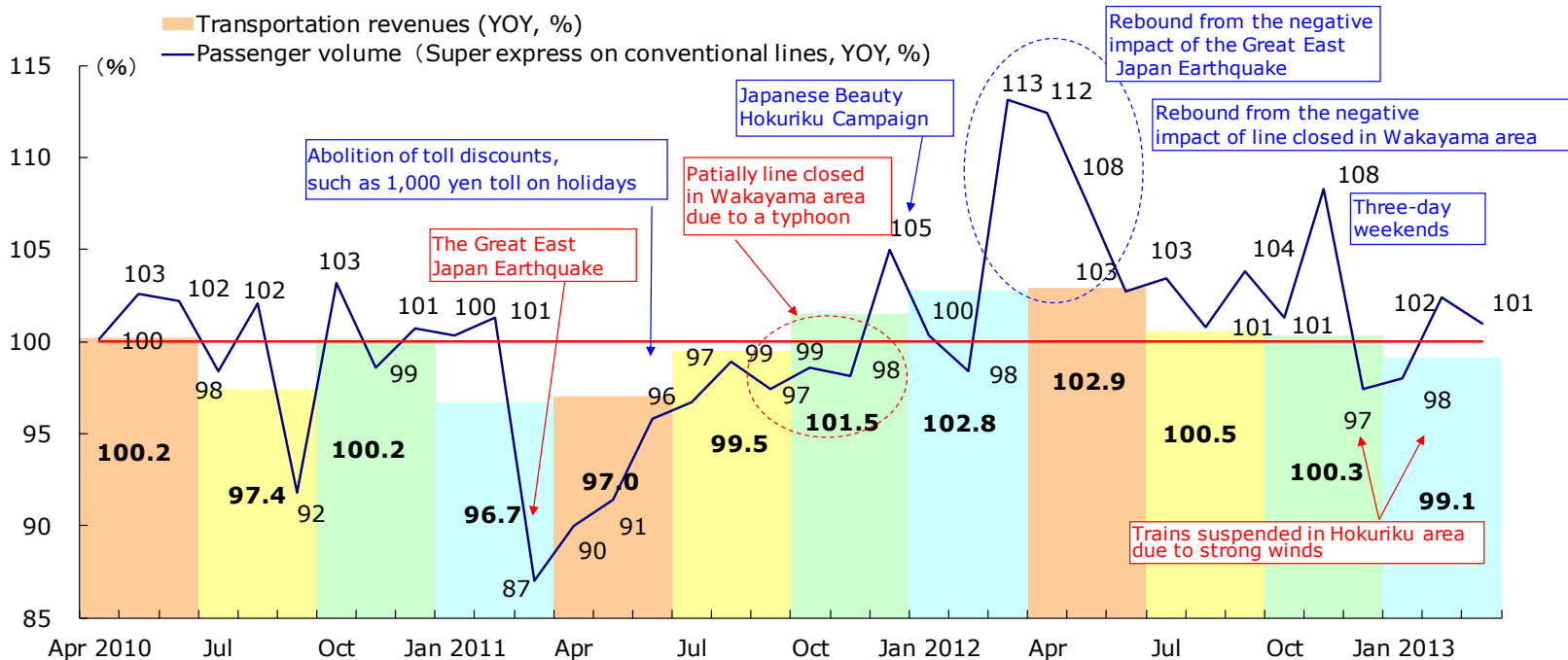
○ Pursue safe, reliable transport service

- Replace rolling stock, introduce new safety system, increase safety at level crossings, increase facilities for turn back operation, take natural disaster countermeasures
- Increase and improve guidance for customers during transport disruptions

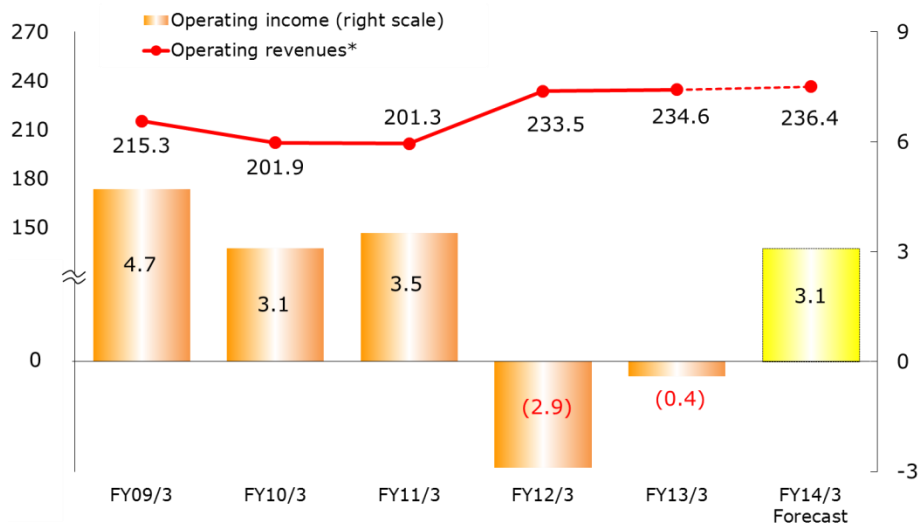
Revenue trend and forecast



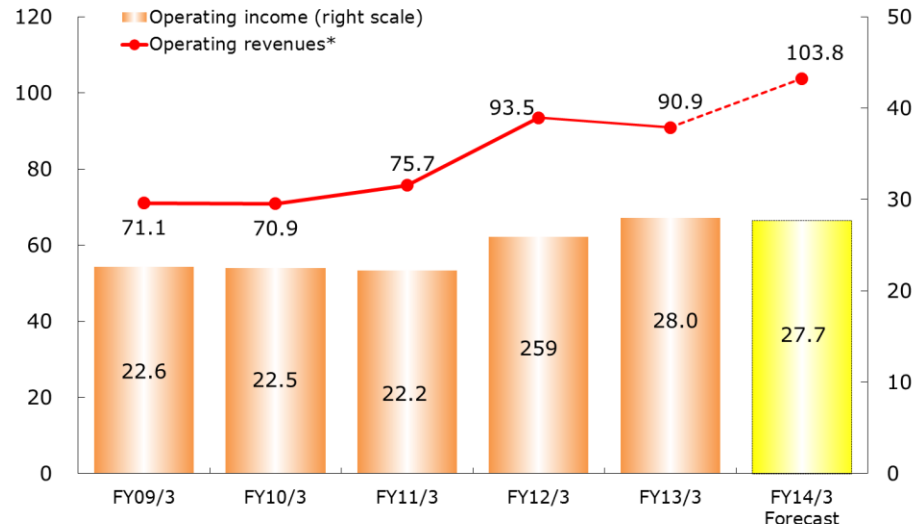
Revenues and passenger volume



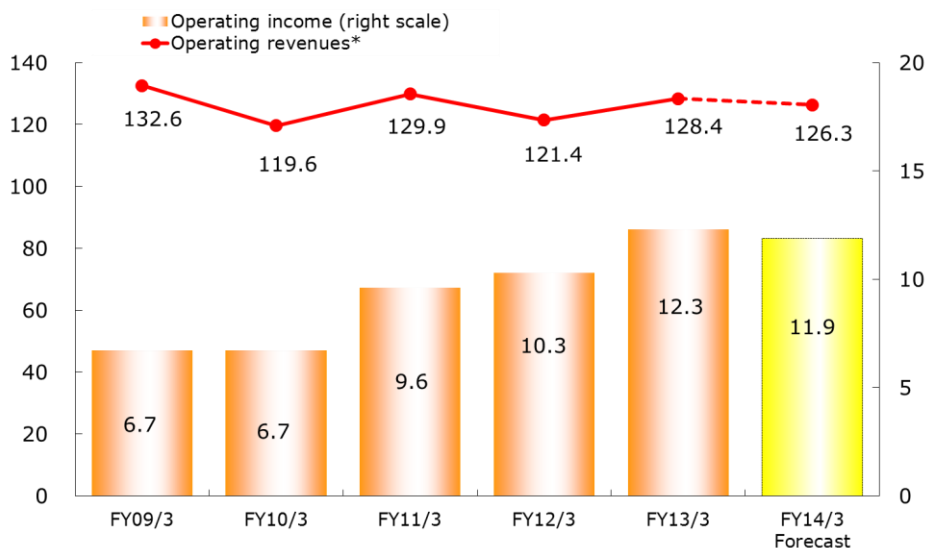
Retail (Billion Yen)



Real Estate (Billion Yen)



Others (Billion Yen)



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

Sales of goods and food services

1) Strengthen and expand existing businesses

1. Renew stores inside stations along with station improvement

- Concourse at Sannomiya Station (2013, plan)

2. Implement aggressive development in new regions

(regions other than those alongside tracks and those in our service area)

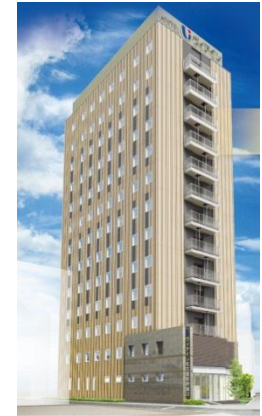
- Open business hotel “Via-inn Nagoya” (The14th hotel as the hotel chain)

Opening Day: July 19, 2013

The number of rooms: 238 rooms(Single 211rooms, Twin27 rooms)

2) Utilize Group management resources optimally

- Pursue higher levels of customer satisfaction and increased operational efficiency through consolidation of Group companies in Sanin area



<Via-inn Nagoya>

Department Store

1) Fundamentally reevaluate North Gate Building of Osaka Station City

1. Renovate stores taking advantage of strengths of department stores and shopping centers

- Opening period: Spring 2015 (plan)
- Outlook for profitability
 - West Japan Railway Isetan Limited: Profitable in FY2016/3
 - JR Osaka Mitsukoshi Isetan, nonconsolidated: Profitable rapidly

2. Initiatives to enhance customer drawing power

- Increase sales by leveraging the enhanced customer drawing power of the Umeda district following the opening of GRAND FRONT OSAKA
- Strengthen special event sales and initiatives targeting holders of JR West’s cards, etc.

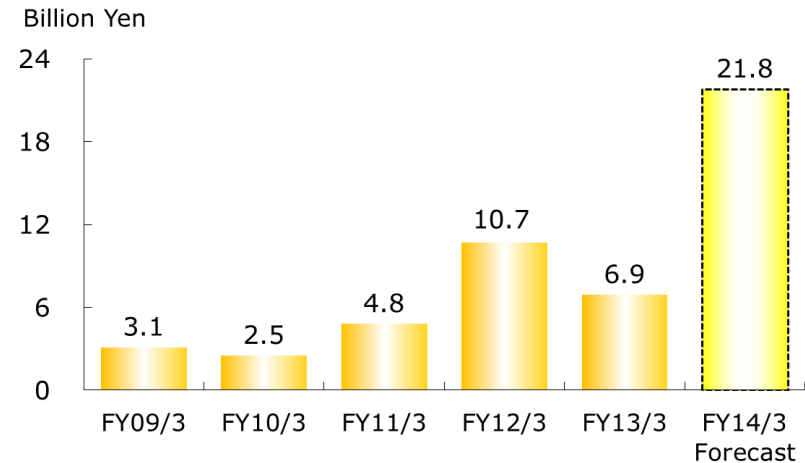
Real estate lease and sale

1) Advance real estate sale

Name	Location	Month of handover (Plan)	Houses
J.GRAN GARDEN KITAHANADA	Kita, Sakai	Sep. 2013	11
J.GRAN SHIN NAGATA	Nagata, Kobe	Dec. 2013	122
J.GRAN ABENO FUMINOSATO	Abeno, Osaka	Nov. 2013	113
J.GRAN ABENO FUMINOSATO RESIDENCE	Abeno, Osaka	Mar. 2014	24
WELLITH MAIKO	Tarumi, Kobe	Feb. 2014	145
J.GRAN FRESIA KUSATSUNISHIOJI*	Kusatsu, Shiga	Feb. 2014	58
J.GRAN SENRICHUOH	Toyonaka, Osaka	Mar. 2014	140
URAWA TOKIWA THE RESIDENCE*	Urawa, Saitama	Mar. 2014	295
MAYA CITY NADA EXCEED*	Nada, Kobe	Aug. 2014	130
Sum			1,038

*Joint projects with other companies

<Sales trend of condominiums>



2) Use Group's management resources optimally

- Consolidate Group real estate companies to unify management foundation and facilitate aggressive business expansion

Shopping Center

1) Advance development and renewal

1. "piole HIMEJI" (Opened in April 30, 2013)
2. "Shamine Tottori" (Opening planned for spring 2014)



<piole HIMEJI>

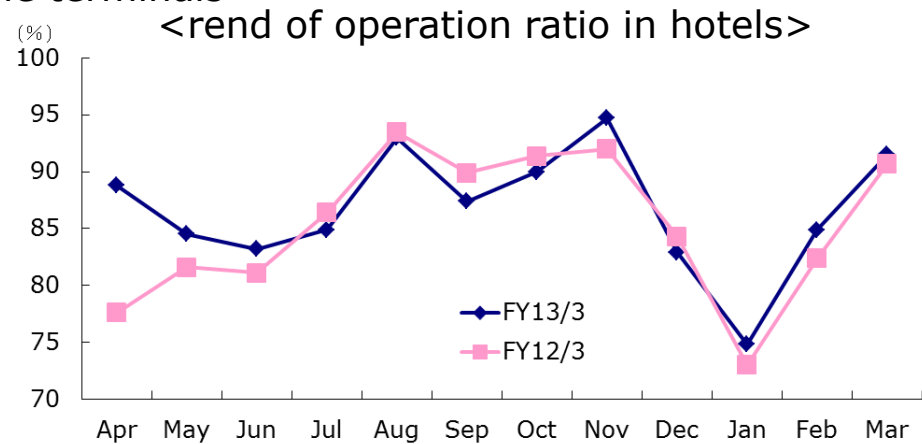
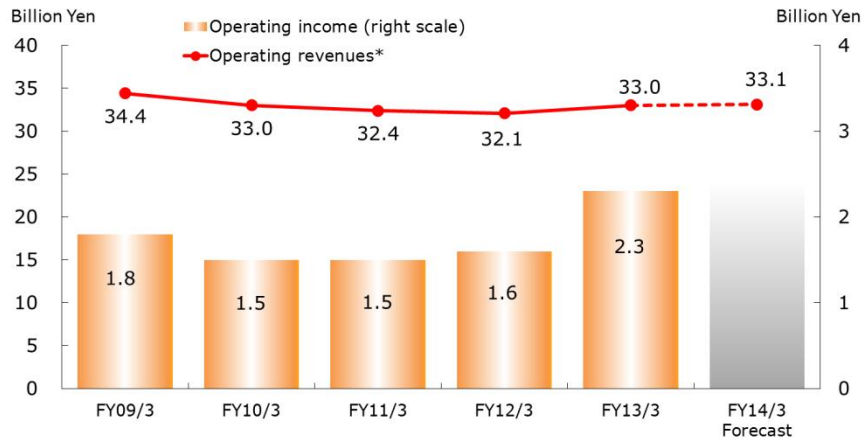
2) Use Group's management resources optimally

- Renewal of "Porta" and "The CUBE" at Kyoto Station (FY2014/3)
- Total optimization of merchandising at Kyoto Station

- Stores: 202 stores
- Floor area: around 23,000 m²
- Sales Target: 16.5 billion Yen in the first year

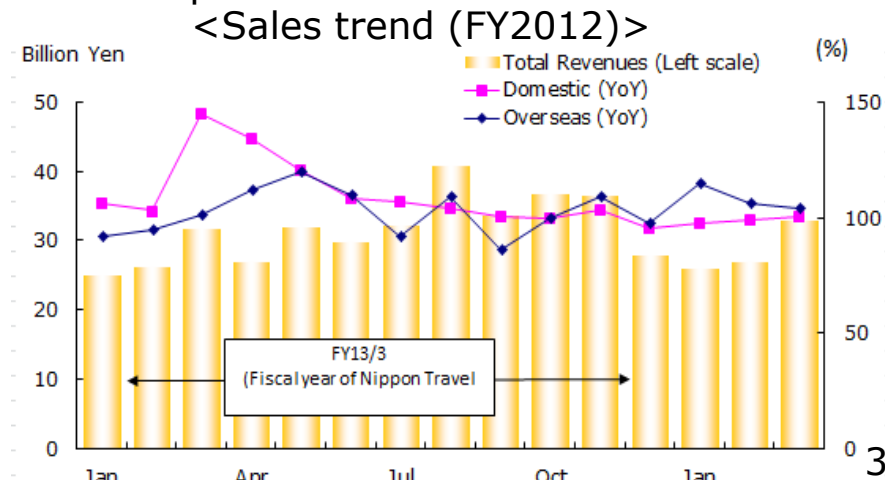
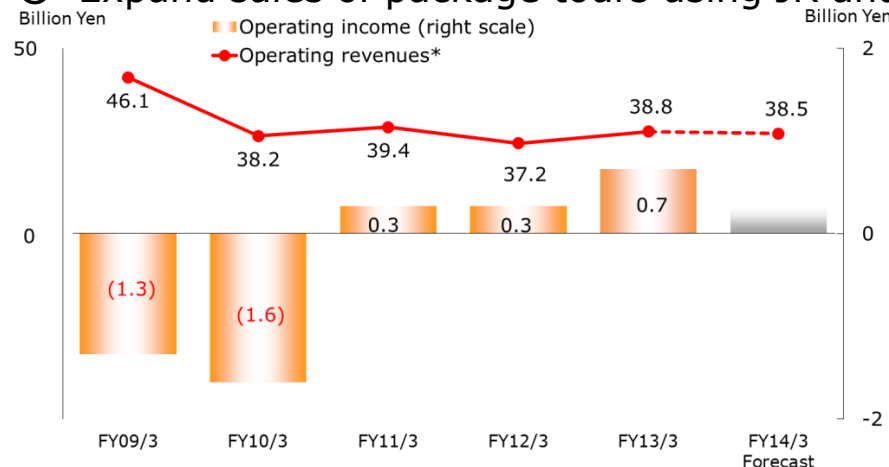
【Hotel business】

- Strengthen promotional campaigns targeting the establishment of repeat customers
Enhance sales initiatives to acquire new customers (Tokyo metropolitan area, Asia)
- Solicit services to individuals by utilizing mobile terminals



【Travel Agency (Nippon Travel Agency)】

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



*Operating revenues are the revenues from the third parties (=costumer)

Capital Expenditure Plan (Consolidated)

【Difference between the previous and current midium-term management plans】

Billion Yen	The previous plan		The current plan
	Forecast	Result	
Consolidated	980.0	982.4	920.0
Non-consolidated	780.0	778.0	800.0
(Safety-related)	460.0	468.3	470.0

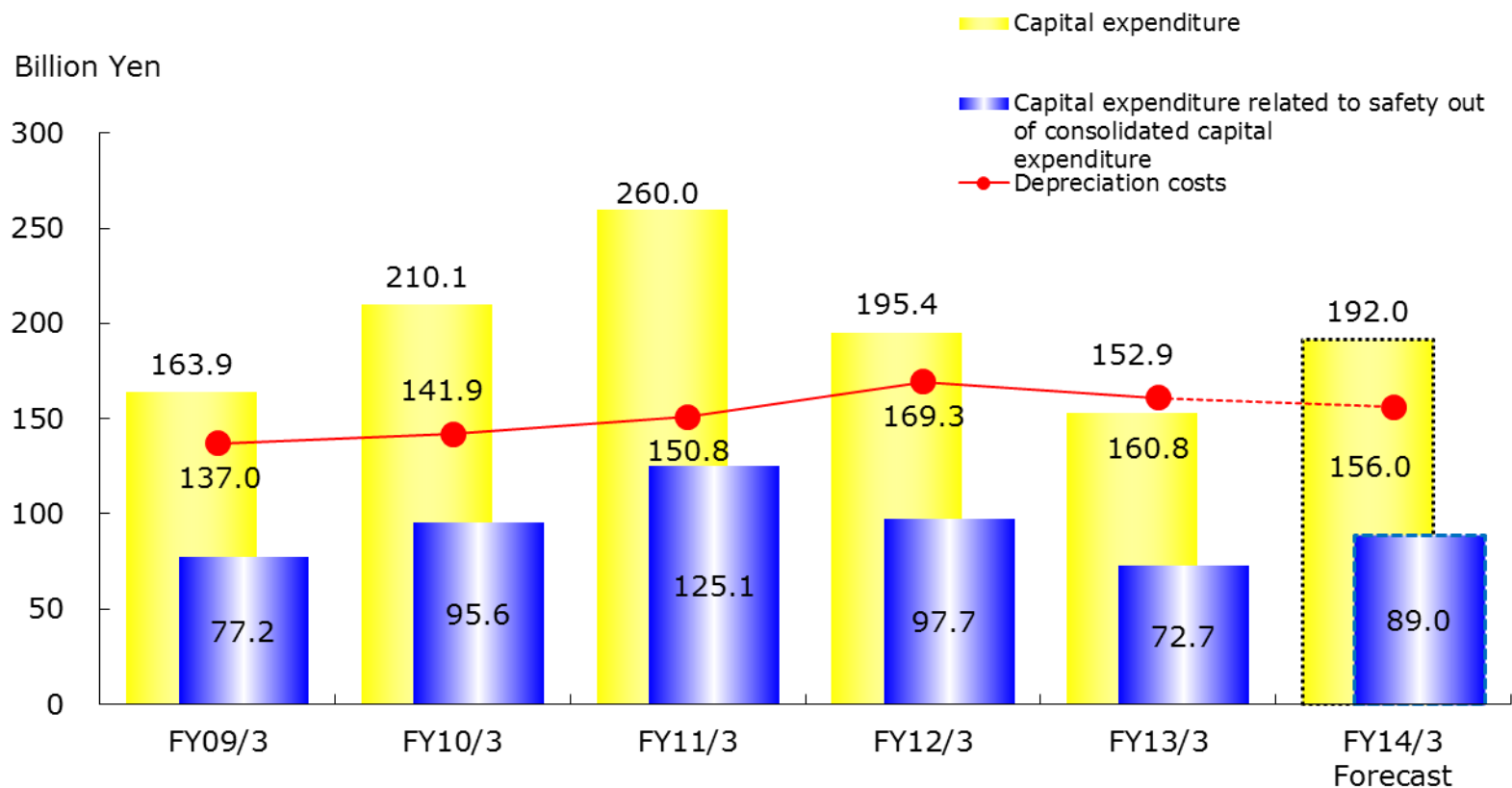
Major Capital expenditure projects for FY14/3

<CAPEX for growth, etc>

- Hokuriku Shinkansen
- New stations, station renewal
- Osaka Station Development Project
- Photovoltaic power generation business
- Renewal of passenger gate system

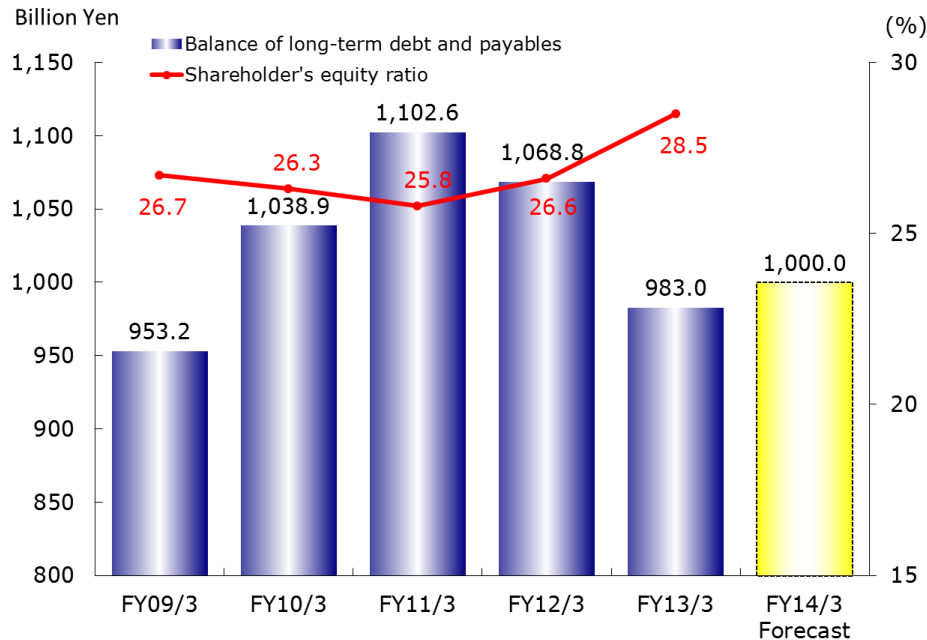
<Safety-related CAPEX>

- Renewal of ATC in Sanyo Shinkansen Line
- Earthquake and tsunami countermeasures
- Introduction of N700A
- New safety system

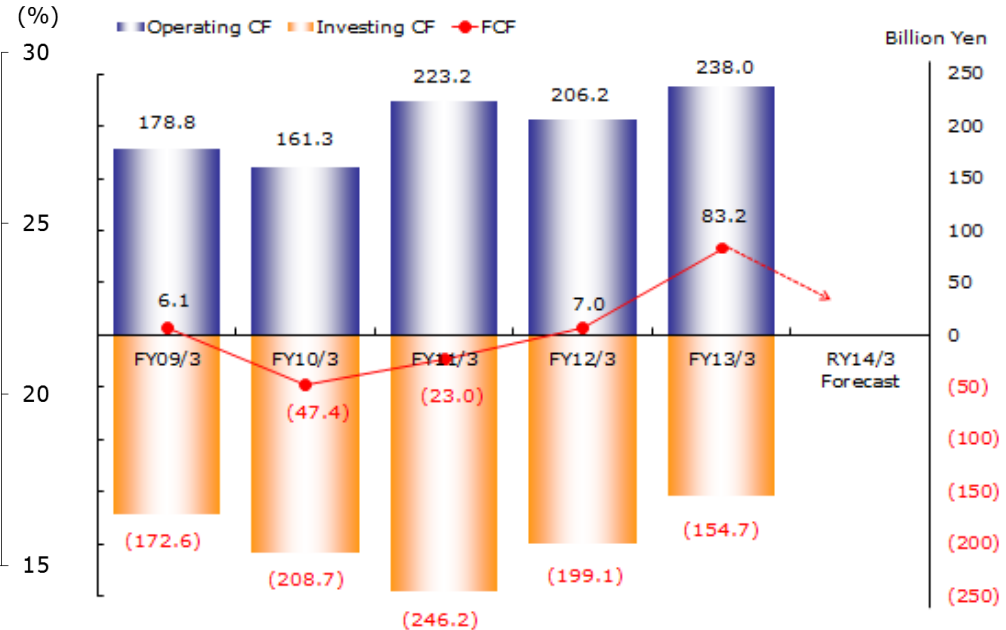


Finance and Cash Flows, and Returns to Shareholders

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



Cash flows forecast (consolidated)



Returns to Shareholders

- Continue providing returns to shareholders based on consideration of total shareholders' equity, reflecting our emphasis on providing stable shareholder returns over the long term.
- Specifically, aim for a rate of total distribution on net assets* of around 3% for FY2018, in light of the usage situation following the commencement of operations to Kanazawa on the Hokuriku Shinkansen Line and progress toward achievement of the targets set out in Medium-Term Management Plan 2017

* Rate of total distribution on net assets (%) = (total dividends + acquisitions of treasury stock) ÷ consolidated net assets × 100
 → Plan to pay a full-year dividend of ¥110 per share

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 2013 based on information available to JR-West as of May 2013 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.