

(Translation)

December 9, 2008

Dear Sirs,

Name of the company: Kirin Holdings Company, Limited

Representative: Kazuyasu Kato
President and CEO

(Code No.: No. 2503, 1st sections of Tokyo Stock Exchange,
Osaka Securities Exchange and Nagoya Stock Exchange, and
Fukuoka Stock Exchange and Sapporo Securities Exchange)

Further inquiries: Ippei Maeda
General Manager of Corporate
Communications Department
(Tel.: 03-5540-3455)

Name of the company: West Japan Railway Company

Representative: Masao Yamazaki
President and Representative Director

(Code No.: No. 9021, 1st sections of Tokyo Stock Exchange,
Osaka Securities Exchange and Nagoya Stock Exchange, and
Fukuoka Stock Exchange)

Further inquiries: Michio Utsunomiya
General Manager of Corporate
Communications Department
(Tel.: 06-6375-8889)

**Notice of Basic Agreement on the Conclusion of a Share Transfer Agreement Concerning
the Shares of Kirin Hotels Development Co., Ltd..**

Notice is hereby given that Kirin Holdings Company, Limited (President and CEO: Kazuyasu Kato) and West Japan Railway Hotel Development Limited (President: Yoshito Kibe), a wholly-owned subsidiary of West Japan Railway Company (President: Masao Yamazaki), entered into a basic agreement to conclude a share transfer agreement concerning all of the 500 issued shares of Kirin Hotels Development Co., Ltd. (President: Shiro Atsumi), a wholly-owned subsidiary of Kirin Holdings Company, Limited, on December 9, 2008.

Kirin Hotels Development Co., Ltd.. possesses and operates Hotel HOPINN AMING, a central facility of the redevelopment project for the area around the JR Amagasaki station, and offers services to the local community and many other customers.

In recent years, the hotel industry has increasingly been expected to provide more

fine-tuned services as customer needs are becoming more diversified. Kirin Hotels Development Co., Ltd. has determined that to pursue further enhancing its corporate value in the future, it will be beneficial to run the business under the supervision of West Japan Railway Hotel Development Limited, which controls the hotel business of JR West Group, while West Japan Railway Hotel Development Limited has determined that the acquisition of the business of Kirin Hotels Development Co., Ltd. will allow it to offer fuller services to its customers, whereby contributing to the development in the vicinity of the JR Amagasaki station. Thus, Kirin Holdings Company, Limited and West Japan Railway Hotel Development Limited have entered into the basic agreement on the transaction.

Kirin Hotels Development Co., Ltd., with its accumulated know-how and in cooperation with the existing hotel business of JR West Group, is expected to offer services to more customers and pursue further growth.

1. Outline of the transferor of the shares (Kirin Hotels Development Co., Ltd.):

- (1) Trade name: Kirin Hotels Development Co., Ltd.
- (2) Representative: Shiro Atsumi, President and Representative Director
- (3) Location: 4-1, Shioe 1-chome, Amagasaki-City, Hyogo Prefecture
- (4) Establishment: September 1, 1998
- (5) Main scope of business: Hotel business
- (6) Date of settlement of accounts: December 31 of each year
- (7) Number of employees: 27 (as of December 31, 2007)
- (8) Capital: ¥10 million
- (9) Total number of issued shares: 500 shares
- (10) Shareholder: Wholly-owned subsidiary of Kirin Holdings Company, Limited
- (11) Business results (non-consolidated) for recent fiscal years:

(million yen)

	Fiscal year ended / as of December 31, 2006	Fiscal year ended / as of December 31, 2007
Operating revenues	38	763
Gross profit on sales	38	601
Operating income	20	82
Recurring profit	21	79
Net income	12	45
Total assets	115	3,213
Net assets	40	2,441

(Note) The assets were assigned from Kirin Holdings Company, Limited upon its corporate separation in April 2007.

2. Outline of the transferee of the shares (West Japan Railway Hotel Development

Limited):

- (1) Trade name: West Japan Railway Hotel Development Limited
- (2) Representative: Yoshito Kibe, President and Representative Director
- (3) Location of head office: 901, Higasi-shiokoji-cho, Shiokoji-sagaru, Karasumadori, Shimogyo-ku, Kyoto-City
- (4) Establishment: October 1, 1990
- (5) Main scope of business: Hotel business
- (6) Capital: ¥18,000 million
- (7) Shareholder: Wholly-owned subsidiary of West Japan Railway Company

3. Outline of the change in the shareholdings:

(1) Shareholder:

	Before the change	After the change
Kirin Holdings Company, Limited	500 shares (100%)	-
West Japan Railway Hotel Development Limited	-	500 shares (100%)

- (2) Date of delivery of the shares: January 31, 2009 (expected)

4. Future outlook:

The effect of the transaction publicized herein on the consolidated business results of Kirin Holdings Company, Limited or West Japan Railway Company will be insignificant.

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