

(Translation)

Company name: **West Japan Railway Company**

President: Seiji Manabe

Code number: 9021, Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange and Fukuoka Stock Exchange

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Notice regarding to recording of loss on impairment of fixed assets

West Japan Railway Company announces the recording of a loss on impairment of fixed assets, as described below, in the first half of the fiscal year ending March 31, 2013 (April 1, 2012, to September 30, 2012).

1. Details of the recording of loss on impairment

In accordance with Accounting Standards for Impairment of Fixed Assets, in the consolidated settlement of accounts for the first half of the fiscal year ending March 31, 2013, the company has recorded an extraordinary loss (loss on impairment) of ¥18,841 million on store facilities (JR Osaka Mitsukoshi Isetan) owned by West Japan Railway Isetan Limited, a consolidated subsidiary of the Company.

West Japan Railway Isetan will continue working to improve its results through the steady implementation of a variety of initiatives in line with the needs of customers.

In addition, together with Isetan Mitsukoshi Holdings Ltd. and West Japan Railway Isetan Limited, the Company is now considering thorough measures aimed at business reorganization. In conjunction with initiatives to enhance the overall appeal of Osaka Station City, the Company will strive to implement these measures as rapidly as possible.

2. Results forecasts

The Company is carefully considering the forecasts for the first half of the fiscal year ending March 31, 2013, and for the full fiscal year (consolidated and non-consolidated). If the forecasts need to be revised, a separate disclosure will be made.

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