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JAN 31 2005

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SUPPL

FILE NO. 82-34777

December 6, 2004

VIA AIR MAIL

Office of International Corporate Finance
Division of Corporation Finance
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549
U.S.A.



West Japan Railway Company
Rule 12g-3(2)(b) Exemption Application

Dear Sirs:

Pursuant to Rule 12g-3(2)(b) under the Securities Exchange Act of 1934, we, as legal counsels to West Japan Railway Company (the "Company") with respect to its international offering of common stock, enclose herewith English translations of the documents which contents were announced by the Company:


- Notice of Adjustment to the Forecast of Year-End Dividend for the Year Ended March 31, 2004 (the 17th Business Year) (dated April 20, 2004);
- Flash Report (Consolidated and Non-Consolidated Basis) Results for the year ended March 31, 2004 (dated May 14, 2004);
- Notice of the 17th Ordinary General Meeting of Shareholders (dated May 31, 2004);
- Documents Attached to the Notice of the 17th Ordinary General Meeting of Shareholders (from April 1, 2003 to March 31, 2004) (dated May 2004);
- Notice of Resolutions of the 17th Ordinary General Meeting of Shareholders (dated June 23, 2004);
- Notice of Transfer of Shares of Vodafone K.K. and Adjustment to the Forecasts of Operating Results for the Fiscal Year Ending March 31, 2005 (dated June 23, 2004);
- Flash Report (Consolidated Basis) Results for the first quarter ended June 30, 2004 (dated August 3, 2004) and

Baker & McKenzie Attorney at Foreign Law Office and Tokyo Aoyama Aoki Law Office are members of Baker & McKenzie International, a Swiss Verein.

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- Flash Report (Consolidated and Non-Consolidated Basis) Results for the period ended September 30, 2004 (dated November 5, 2004).

Yours truly,



Kunio Aoki

Encls.

cc: West Japan Railway Company
Sullivan & Cromwell, Tokyo (w/o documents)

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FILE NO. 82-34777

2004 DEC 13 P 12: 56

April 20, 2004

OFFICE OF INVESTIGATION
CORPORATE INFORMATION

Dear Sirs:

Name of the company: West Japan Railway Company
Representative: Tsuyoshi Kakiuchi
President and Representative Director
Code No.: No. 9021
Tokyo Stock Exchange
Osaka Securities Exchange
Nagoya Stock Exchange and
Fukuoka Stock Exchange
Inquiries to be directed to: Tatsuo Kijima General Manager of
Corporate Communication Department
(Tel.: 06-6375-8889)

Notice of Adjustment to the Forecast of Year-End Dividends for the Year Ended March 31, 2004
(the 17th Business Year)

Notice is hereby given that West Japan Railway Company (the "Company"), at the meeting of its Board of Directors held on April 20, 2004, determined to pay year-end dividends per share for the year ended March 31, 2004, as described below:

Description

1. Reason for the adjustment to the forecast of dividends:

The Company's dividends policy emphasizes the payment of stable and regular dividends, and it has paid ordinary dividends in the amount of ¥5,000 per share annually.

On March 12, 2004, Japan Railway Construction, Transportation and Technology sold its share of the Company and consequently, the Company has completed the process of its privatization in both name and reality. Hence, to show our gratitude to our shareholders for their support and cooperation, the Company, at the meeting of its Board of Directors held today, determined to pay commemorative dividends in the amount of ¥1,500 per share, in addition to year-end ordinary dividends for the year ended March 31, 2004.

We will submit a proposition on the payment of commemorative dividends to the 17th Ordinary General Meeting of Shareholders of the Company to be held towards the end of June 2004.

2. Particulars of the amendment:

| | Interim dividend per share | Year-end dividend per share | Annual dividend per share |
|---|----------------------------|--|--|
| Previous forecast (on November 7, 2003) | ¥2,500 | ¥2,500 | ¥5,000 |
| Adjusted forecast | ¥2,500 | ¥4,000 (Ordinal dividend: ¥2,500 Commemorative dividend: ¥1,500) | ¥6,500 (Ordinal dividend: ¥5,000 Commemorative dividend: ¥1,500) |
| (For reference) Results for the previous business year (from April 1, 2002 to March 31, 2003) | ¥2,500 | ¥2,500 | ¥5,000 |

- END -

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2004 SEC 13 P 12: 54

August 3, 2004

Last posted on August 3, 2004

OFFICE OF INFORMATION
CORPORATE RELATIONS

West Japan Railway Company

Flash Report (Consolidated Basis)

Results for the first quarter ended June 30, 2004

Forward-Looking Statements

Statements made in this release with respect to JR-West's plans, objectives, strategies, beliefs, including any forecasts or projections, and other statements that are not historical facts are forward-looking statements about the future performance of JR-West that are based on management expectations, assumptions, estimates and beliefs in light of the information currently available to it. Such forward-looking statements are subject to various risks and uncertainties that could cause actual results to be different, possibly materially, from the results anticipated in the statements. Potential risks and uncertainties include, without limitation, the following:

- economic recession, deflation, declines in population or other factors that negatively affect our businesses;
- adverse changes in governmental regulations and guidelines;
- service improvements and decreases in price among competitors;
- declines in operating revenues or unexpected increases in costs;
- liability or adverse publicity associated with property or casualty losses; and
- earthquake and other natural disaster risks.

Information for which the date is not specified in this release is as of August 3, 2004. JR-West does not undertake to revise forward-looking statements to reflect future events or circumstances.

The contents of this document were, to be best of our knowledge, current and accurate as of August 3, 2004. However, the passage of time may have rendered the information in this document stale. We will not review this document after its posting on August 3, 2004, to determine whether it remains accurate, and information in this document may have been superseded by subsequent announcements. We disclaim any responsibility to update, revise or correct this document, whether as a result of new information, future events or otherwise.

1. Items related to the preparation of this summary of quarterly results**(1) There were no changes in accounting methods.****(2) Changes in consolidated financial conditions**

| | |
|---|----|
| Consolidated subsidiaries: | 66 |
| Non-consolidated subsidiaries accounted for by equity method: | 0 |
| Affiliated companies accounted for by equity method: | 4 |
| Number of consolidated subsidiaries added: | 1 |
| Number of consolidated subsidiaries removed: | 1 |
| Number of equity method affiliated companies added: | 0 |
| Number of equity method affiliated companies removed: | 0 |

2. Results for the first quarter of fiscal 2005 (from April 1, 2004 to June 30, 2004)**(1) Operating results**

(Figures less than ¥1 million have been omitted)

| | Operating revenues | | Operating income | | Recurring profit | |
|---------------------------------------|---|-------|---|--------|---|--------|
| | (% change from the same quarter of the previous year) | | (% change from the same quarter of the previous year) | | (% change from the same quarter of the previous year) | |
| | Millions of yen | | Millions of yen | | Millions of yen | |
| First quarter of FY2005 | 292,269 | (2.3) | 31,295 | (22.2) | 21,206 | (40.4) |
| First quarter of FY2004 | 285,666 | (-) | 25,606 | (-) | 15,106 | (-) |
| (Reference) Year ended March 31, 2004 | 1,215,735 | | 126,930 | | 85,863 | |

| | Net income | | Net income per share | Net income per share after dilution |
|---------------------------------------|---|--------|----------------------|-------------------------------------|
| | (% change from the same quarter of the previous year) | | | |
| | Millions of yen | | Yen | Yen |
| First quarter of FY2005 | 13,340 | (40.5) | 6,673.10 | - |
| First quarter of FY2004 | 9,496 | (-) | 4,750.59 | - |
| (Reference) Year ended March 31, 2004 | 47,016 | | 23,423.19 | - |

(2) Financial Position

| | Total assets | Total shareholders' equity | Shareholders' equity ratio | Shareholders' equity per share |
|--|-----------------|----------------------------|----------------------------|--------------------------------|
| | Millions of yen | Millions of yen | % | Yen |
| First quarter of FY2005 (as of June 30, 2004) | 2,331,464 | 483,697 | 20.7 | 241,955.71 |
| First quarter of FY2004 (as of June 30, 2003) | 2,389,086 | 447,205 | 18.7 | 223,701.64 |
| (Reference) FY2004 (as of March 31, 2004) | 2,410,358 | 479,762 | 19.9 | 239,876.24 |

| | the first quarter | | | |
|---|-------------------|-----------------|-----------------|-----------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| First quarter of FY2005 | -19,577 | -28,028 | 11,940 | 34,990 |
| First quarter of FY2004 | -26,703 | -34,833 | 28,093 | 56,600 |
| (Reference) FY 2004 (as of March 31, 2004) | 140,229 | -91,691 | -67,991 | 70,655 |

3. Forecasts for fiscal 2005 (from April 1, 2004 to March 31, 2005)

| | Operating revenues | Recurring profit | Net income | Net income per share |
|--------------|--------------------|------------------|-----------------|----------------------|
| | Millions of yen | Millions of yen | Millions of yen | Yen |
| Interim 2005 | 597,800 | 47,400 | 41,300 | - |
| Fiscal 2005 | 1,220,800 | 91,500 | 63,900 | 31,868.63 |

(Reference)

Forecasts for fiscal 2005 on a non-consolidated basis (from April 1, 2004 to March 31, 2005)

| | Operating revenues | Recurring profit | Net income | Net income per share |
|--------------|--------------------|------------------|-----------------|----------------------|
| | Millions of yen | Millions of yen | Millions of yen | Yen |
| Interim 2005 | 421,000 | 41,700 | 37,500 | - |
| Fiscal 2005 | 846,700 | 73,500 | 55,800 | 27,849.50 |

* See cautionary statement regarding Forward-Looking Statements on the front page of this report with respect to some risks and uncertainties that may cause actual results of differ from these forecasts.

Operating revenues: ¥292.2 billion

Operating income: ¥31.2 billion

Recurring profit: ¥21.2 billion

Net income: ¥13.3 billion

1. Results by Business Segment (Consolidated Basis)

1) *Transportation Operations*

JR-West worked to bolster the competitive strength of its Sanyo Shinkansen services by striving to continue to realize the benefits of the October 2003 revision of the Sanyo Shinkansen Line timetable and enhancing the customer convenience of its *Nozomi* train services, achieving the latter by broadening the scope of the *Nozomi* early reservation discount tickets, in terms of period covered and area of use, for customers that make early reservations.

As for conventional lines, JR-West took steps to improve its Urban Network service, including the ongoing introduction of new rolling stock, and worked to augment the transportation capacity of its intercity transportation service through such initiatives as increasing departures of the Limited Express *Maizuru* and adding cars to the Limited Express *Kita-Kinki* and other trains.

On the sales and marketing side, JR-West worked to generate and expand tourism demand by continuing to develop the "Discover West" campaign to boost demand for travel from the Tokyo metropolitan area to western Japan and launching the "Japanese Beauty Hokuriku" campaign to promote travel from the Tokyo metropolitan and Kansai areas to the Hokuriku area. In addition, JR-West introduced "F tickets"—discount packages that include train tickets from the Kyoto-Osaka-Kobe area to the Nanki area and the use of a rental car to promote travel to the latter's high-profile sites registered on the World Heritage List, created new "Tabi Sapuri" day trip packages exclusively for women that can only be booked via the Internet, and moved forward with other proactive sales and marketing activities.

Against a backdrop of intensifying competition in highway bus services, JR-West worked to enhance the customer convenience of its bus operations through such measures as the introduction of Reward Cards for the highway bus routes between Kyoto/ Osaka/Kobe and Tokyo/Shinjuku.

As a result, operating revenues for Transportation Operations increased 2.8%, to ¥207.0 billion, and operating income climbed 23.5%, to ¥26.5 billion, as compared with the same period of the previous fiscal year.

2) *Sales of Goods and Food Services*

As part of "NexStation Plan" efforts to bolster the competitiveness of its stations, JR-West worked to expand its business in and around stations by opening a convenience store inside Hiroshima Station, Daily in mini-convenience stores inside Sannomiya Station and Tennoji Station, and an accessory shop MONIQUE in the Wakayama JOWA shopping center in front of Wakayama Station. In addition, sales of souvenirs have taken off along with the rise in passenger traffic subsequent to the timetable revisions implemented in the previous fiscal year. JR-West strove to bring customer service at the JR Kyoto Isetan department store to an even higher level by extending the store's hours of operation. The performance of JR Kyoto Isetan remained strong throughout the fiscal period under review, as it has since its opening.

As a result, operating revenues for the Sales of Goods and Food Services segment rose 3.4%, to ¥57.0 billion, and operating income climbed 17.7%, to ¥1.3 billion, as compared with the same period of the previous fiscal year.

3) *Real Estate*

JR-West's efforts to develop its operations in and around stations include the remodeling of the third

commenced sales of condominiums at the States Gran Ashiya, completing the signing of all 100 units built during the first stage of development.

As a result, operating revenues for the Real Estate segment edged up 1.9%, to ¥17.1 billion, and operating income jumped 17.3%, to ¥4.7 billion, as compared with the same period of the previous year.

4) Other Businesses

JR-West's hotel operations posted robust accommodation revenues and showed generally strong performance, owing mainly to a recovery from the downturn spurred by the SARS outbreak in the previous fiscal year. JR-West also worked to expand its business opportunities, making forays into car sharing, day care for the elderly, and living support businesses and opening its second station-based comprehensive child care center, JR Kawanishi-Ikeda Kids Room, on the premises of Kawanishi-Ikeda Station on the JR Takarazuka Line. As for JR-West's travel agency operations and maintenance and engineering services, which are included in the Other Businesses segment, revenues generally tend to be concentrated in the latter half of the fiscal year due to seasonal fluctuation.

As a result, operating revenues decreased 1.7% from the same period of the previous fiscal year, to ¥50.6 billion, and an operating loss of ¥1.3billion was posted, remaining at around the same level.

2. Forecasts for Fiscal 2005

JR-West has decided not to make changes at this time to the consolidated results forecasts for the fiscal year ending March 31, 2005, announced on June 23, 2004, as performance for the period under review is in line with the previously announced plans. This is also the case with non-consolidated forecasts for fiscal 2005.

3. Financial Position

(1) Cash flows from operating activities

Income before income taxes amounted to ¥24.2 billion; however, corporate tax, bonuses, and other payments resulted in a cash outflow from operating activities of ¥19.5 billion.

(2) Cash flows from investing activities

Cash flows used in investing activities came to ¥28.0 billion due to measures to ensure safe and stable transportation and capital expenditures for improvements in transport capabilities.

(3) Cash flows from financing activities

In spite of the reduction in long-term debt and payables and the payment of dividends, cash inflow came to ¥1.9 billion thanks to the issue of commercial paper and other factors.

As a result of the aforementioned factors, cash and cash equivalents at the end of the first quarter of fiscal 2005 declined ¥35.6 billion, to ¥34.9 billion, compared with the end of the previous fiscal year.

| | Millions of yen | | | |
|--------------------------------------|--|-------------------------------------|----------------|--|
| | First quarter of FY 2005 (as of June 30, 2004) | FY2004 (as of March 31, 2004) | Change | First quarter of FY 2004 (as of June 30, 2003) |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash | 35,650 | 71,317 | -35,667 | 57,416 |
| Accounts receivable | 32,368 | 35,747 | -3,379 | 30,184 |
| Deferred tax assets | 15,511 | 25,436 | -9,925 | 14,028 |
| Other current assets | 71,967 | 69,865 | 2,102 | 73,816 |
| Total current assets | 155,497 | 202,366 | -46,868 | 175,446 |
| Fixed assets: | | | | |
| Property, plant and equipment | 2,032,208 | 2,062,505 | -30,297 | 2,065,983 |
| Investments and other assets: | 143,755 | 145,482 | -1,726 | 147,625 |
| Investment securities | 53,378 | 56,188 | -2,810 | 58,395 |
| Deferred tax assets | 67,233 | 65,030 | 2,203 | 64,306 |
| Other investments and assets | 23,143 | 24,263 | -1,119 | 24,924 |
| Total fixed assets | 2,175,964 | 2,207,988 | -32,024 | 2,213,609 |
| Deferred assets | 3 | 4 | -1 | 30 |
| Total assets | 2,331,464 | 2,410,358 | -78,894 | 2,389,086 |

| | Millions of yen | | | |
|---|--|-------------------------------------|-----------------|--|
| | First quarter of FY 2005 (as of June 30, 2004) | FY2004 (as of March 31, 2004) | Change | First quarter of FY 2004 (as of June 30, 2003) |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Current liabilities: | | | | |
| Current portion of long-term debt | 54,399 | 96,997 | -42,597 | 104,848 |
| Accounts payable | 50,536 | 84,926 | -34,389 | 44,291 |
| Other current liabilities | 325,027 | 363,018 | -37,990 | 337,418 |
| Total current liabilities | 429,964 | 544,942 | -114,978 | 486,558 |
| Long-term liabilities: | | | | |
| Bonds and long-term debt | 1,079,095 | 1,041,549 | 37,546 | 1,090,752 |
| Retirement allowances for employees | 207,353 | 208,934 | -1,580 | 180,677 |
| Other long-term liabilities | 107,759 | 111,572 | -3,813 | 162,146 |
| Total long-term liabilities | 1,394,209 | 1,362,056 | 32,152 | 1,433,576 |
| Total liabilities | 1,824,173 | 1,906,998 | -82,825 | 1,920,135 |
| Minority interest | 23,594 | 23,598 | -4 | 21,746 |
| Shareholders' equity | | | | |
| Capital stock | 100,000 | 100,000 | - | 100,000 |
| Capital surplus | 55,000 | 55,000 | - | 55,000 |
| Consolidated retained earnings | 324,638 | 319,491 | 5,146 | 286,935 |
| Evaluation differences on other securities | 4,386 | 5,597 | -1,211 | 5,596 |
| Treasury stock | -327 | -327 | - | -327 |
| Total shareholders' equity | 483,697 | 479,762 | 3,935 | 447,205 |
| Total liabilities, minority interest, and shareholders' equity | 2,331,464 | 2,410,358 | -78,894 | 2,389,086 |

| | Millions of yen | | | |
|---|--|--|--------------|------------------------|
| | First quarter of FY 2005 (as of June 30, 2004) | First quarter of FY 2004 (as of June 30, 2003) | Change | (Reference) FY 2004 |
| Operating revenues | 292,269 | 285,666 | 6,603 | 1,215,735 |
| Operating expenses | 260,973 | 260,059 | 913 | 1,088,804 |
| Operating income | 31,295 | 25,606 | 5,689 | 126,930 |
| Nonoperating revenues. | 776 | 1,291 | -515 | 7,336 |
| Nonoperating expenses | 10,865 | 11,791 | -925 | 48,403 |
| Recurring profit | 21,206 | 15,106 | 6,100 | 85,863 |
| Extraordinary profits | 5,621 | 14,487 | -8,866 | 110,915 |
| Extraordinary losses | 2,606 | 14,370 | -11,763 | 108,044 |
| Income before income taxes | 24,221 | 15,224 | 8,997 | 88,734 |
| Corporation, inhabitants and enterprise taxes | 10,380 | 5,822 | 4,557 | 39,799 |
| Minority interests in earnings of consolidated subsidiaries | 500 | - | 500 | 1,918 |
| Minority interests in loss of consolidated subsidiaries | - | 95 | -95 | - |
| Net income | 13,340 | 9,496 | 3,843 | 47,016 |

| | Millions of yen | | | |
|---|--|--|----------------|----------------|
| | First quarter of FY 2005 (as of June 30, 2004) | First quarter of FY 2004 (as of June 30, 2003) | Change | FY 2004 |
| I. Cash flows from operating activities | | | | |
| Net cash provided by operating activities | -19,577 | -26,703 | 7,126 | 140,229 |
| II. Cash flows from investing activities | | | | |
| Purchases of property, plant and equipment | -38,052 | -45,689 | 7,637 | -142,773 |
| Other | 10,023 | 10,856 | -832 | 51,081 |
| Net cash used in investing activities | -28,028 | -34,833 | 6,804 | -91,691 |
| III. Cash flows from financing activities | | | | |
| Change in long-term borrowings, net | -5,051 | -5,114 | 63 | -67,168 |
| Other | 16,992 | 33,208 | -16,216 | -823 |
| Net cash used in financing activities | 11,940 | 28,093 | -16,153 | -67,991 |
| IV. Change in cash and cash equivalents, net | -35,665 | -33,443 | -2,222 | -19,453 |
| V. Cash and cash equivalents at beginning of the period | 70,655 | 89,310 | -18,655 | 89,310 |
| VI. Change in cash and cash equivalents accompanying consolidation of additional subsidiaries | - | 732 | -732 | 798 |
| VII. Cash and cash equivalents at the end of the period | 34,990 | 56,600 | -21,610 | 70,655 |

First quarter of fiscal 2004 (from April 1, 2003 to June 30, 2003)

| | Millions of yen | | | | | | |
|--------------------|-----------------|----------------------------------|-------------|--------|---------|-----------------------------|--------------|
| | Transportation | Sales of goods and food services | Real estate | Other | Total | Eliminations and intergroup | Consolidated |
| Operating revenues | 201,543 | 55,123 | 16,851 | 51,535 | 325,054 | -39,387 | 285,666 |
| Operating expenses | 180,000 | 54,002 | 12,845 | 52,731 | 299,579 | -39,519 | 260,059 |
| Operating income | 21,542 | 1,121 | 4,005 | -1,195 | 25,474 | 131 | 25,606 |

First quarter of fiscal 2005 (from April 1, 2004 to June 30, 2004)

| | Millions of yen | | | | | | |
|--------------------|-----------------|----------------------------------|-------------|--------|---------|-----------------------------|--------------|
| | Transportation | Sales of goods and food services | Real estate | Other | Total | Eliminations and intergroup | Consolidated |
| Operating revenues | 207,095 | 57,018 | 17,166 | 50,647 | 331,927 | -39,657 | 292,269 |
| Operating expenses | 180,498 | 55,699 | 12,465 | 51,966 | 300,629 | -39,655 | 260,973 |
| Operating income | 26,597 | 1,319 | 4,700 | -1,319 | 31,298 | -2 | 31,295 |

(Reference) Fiscal 2004 (from April 1, 2003 to March 31, 2004)

| | Millions of yen | | | | | | |
|--------------------|-----------------|----------------------------------|-------------|---------|-----------|-----------------------------|--------------|
| | Transportation | Sales of goods and food services | Real estate | Other | Total | Eliminations and intergroup | Consolidated |
| Operating revenues | 844,258 | 229,815 | 69,987 | 257,233 | 1,401,294 | -185,559 | 1,215,735 |
| Operating expenses | 749,841 | 224,147 | 51,967 | 247,580 | 1,273,537 | -184,733 | 1,088,804 |
| Operating income | 94,417 | 5,667 | 18,019 | 9,653 | 127,757 | -826 | 126,930 |

Figures less than ¥1 million have been omitted

CONSOLIDATED STATEMENTS OF INCOME (Reference)

| | Billions of yen | | |
|---|--------------------------|--------------------------|--|
| | First quarter of FY 2005 | First quarter of FY 2004 | Change from the same period of the previous year |
| Operating revenues | <1.41> 292.2 | <1.41> 285.6 | 6.6 |
| Operating expenses | 260.9 | 260.0 | 0.9 |
| Operating income | 31.2 | 25.6 | 5.6 |
| Nonoperating revenues and expenses, net | -10.0 | -10.4 | 0.4 |
| Recurring profit | 21.2 | 15.1 | 6.1 |
| Extraordinary profit and loss, net | 3.0 | 0.1 | 2.8 |
| Income before income taxes | 24.2 | 15.2 | 8.9 |
| Income taxes | 10.3 | 5.8 | 4.5 |
| Minority interests in consolidated subsidiaries | 0.5 | -0 | 0.5 |
| Net income | <1.17> 13.3 | <1.07> 9.4 | 3.8 |

Note: Figures in parenthesis are the consolidated-to-parent ratio

SEGMENT INFORMATION (Reference)

| | Billions of yen | | |
|---|--------------------------|--------------------------|--|
| | First quarter of FY 2005 | First quarter of FY 2004 | Change from the same period of the previous year |
| Transportation | | | |
| Operating revenues | 207.0 | 201.5 | 5.5 |
| Operating income | 26.5 | 21.5 | 5.0 |
| Sales of goods and food services | | | |
| Operating revenues | 57.0 | 55.1 | 1.8 |
| Operating income | 1.3 | 1.1 | 0.1 |
| Real estate | | | |
| Operating revenues | 17.1 | 16.8 | 0.3 |
| Operating income | 4.7 | 4.0 | 0.6 |
| Other | | | |
| Operating revenues | 50.6 | 51.5 | -0.8 |
| Operating income | -1.3 | -1.1 | -0.1 |

CONSOLIDATED BALANCE SHEETS (Reference)

| | Billions of yen | | |
|-------------------------------|---|----------------------------------|--------------|
| | First quarter of FY 2005 (as of June 30, 2004) | FY2004 (as of March 31, 2004) | Change |
| ASSETS | | | |
| Current assets: | | | |
| Total current assets | 155.4 | 202.3 | -46.8 |
| Fixed assets: | | | |
| Property, plant and equipment | 1,963.0 | 1,994.8 | -31.7 |
| Construction in progress | 69.1 | 67.7 | 1.4 |
| Investments and other assets | 143.7 | 145.4 | -1.7 |
| Total fixed assets | 2,175.9 | 2,207.9 | -32.0 |
| Total assets | 2,331.4 | 2,401.3 | -78.8 |

| | Billions of yen | | |
|--|---|----------------------------------|---------------|
| | First quarter of FY 2005 (as of June 30, 2004) | FY2004 (as of March 31, 2004) | Change |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Current portion of long-term debt | 54.3 | 96.9 | -42.5 |
| Accounts payable | 375.5 | 447.9 | -72.3 |
| Total current liabilities | 429.9 | 5,449 | -114.9 |
| Long-term liabilities: | | | |
| Bonds and Long-term debt | 1,079.0 | 1,041.5 | 37.5 |
| Retirement allowances for employees | 207.3 | 208.9 | -1.5 |
| Deposits received | 107.7 | 111.5 | -3.8 |
| Total long-term liabilities | 1,394.2 | 1,362.0 | 32.1 |
| Total liabilities | 1,824.1 | 1,906.9 | -82.8 |
| Minority interests in consolidated subsidiaries | 23.5 | 23.5 | -0 |
| Capital stock | 100 | 100 | - |
| Capital surplus | 55.0 | 55.0 | - |
| Capital reserve | 324.6 | 319.4 | 5.1 |
| Evaluation differences on other securities | 4.3 | 5.5 | -1.2 |
| Treasury stock | -0.3 | -0.3 | - |
| Total shareholders' equity | 483.6 | 479.7 | 3.9 |
| Total liabilities and shareholders' equity | 2,331.4 | 2,410.3 | -78.8 |

CONSOLIDATED STATEMENTS OF CASH FLOWS (Reference)

| | Billions of yen | | |
|--|--------------------------|--------------------------|--|
| | First quarter of FY 2005 | First quarter of FY 2004 | Change from the same period of the previous year |
| I. Cash flows from operating activities | | | |
| Income before income taxes adjustments | 24.2 | 15.2 | 8.9 |
| Depreciation and amortization | 27.4 | 27.0 | 0.3 |
| Loss on deduction of contributions received for construction | 1.9 | 13.0 | -11.1 |
| Change in allowance for retirement benefits | -1.5 | -1.1 | 0.4 |
| Change in allowance for bonuses | -18.6 | -19.5 | 0.8 |
| Gain on contributions received for construction | -2.0 | -13.0 | 11.0 |
| Income taxes paid | -28.6 | -23.5 | -5.1 |
| Other | -22.2 | -24.8 | 2.5 |
| Net cash provided by operating Activities (A) | -19.5 | -26.7 | 7.1 |
| II. Cash flows from investing activities | | | |
| Purchases of property, plant and equipment | -38.0 | -45.6 | 7.6 |
| Receipts of contributions for the construction of railway facilities | 9.9 | 9.4 | 0.4 |
| Other (B) | 0.1 | 1.3 | -1.2 |
| Net cash used in investing activities | -28.0 | -34.8 | 6.8 |
| Free cash flow (C= A+B) | -47.6 | -61.5 | 13.9 |
| III. Cash flows from financing activities | | | |
| Change in long-term borrowings, net | -5.0 | -5.1 | 0 |
| Increase in long-term debt | 42.0 | 32.7 | 9.3 |
| Repayment of long-term debt | -47.0 | -37.8 | -9.2 |
| Cash dividends | -7.6 | -4.8 | -2.8 |
| Other | 24.6 | 38.0 | -13.3 |
| Net cash used in financing activities (D) | 11.9 | 28.0 | -16.1 |
| Total | -35.6 | -33.4 | -2.2 |
| Change in cash and cash equivalents accompanying consolidation of additional subsidiaries (E) | - | 0.7 | -0.7 |
| Change in cash and cash equivalents, net (F= C+D+E) | -35.6 | -32.7 | -2.9 |

| | Billions of yen | | |
|--|--------------------------|--------------------------|--|
| | First quarter of FY 2005 | First quarter of FY 2004 | Change from the same period of the previous year |
| Operating revenues: | | | |
| Transportation | 185.2 | 180.3 | 4.8 |
| Transportation incidentals | 5.6 | 5.7 | -0.1 |
| Other operations | 4.5 | 4.6 | -0.1 |
| Miscellaneous | 11.9 | 11.5 | 0.4 |
| | 207.3 | 202.2 | 5.1 |
| Operating expenses: | | | |
| Personnel costs | 72.0 | 73.7 | -1.7 |
| Nonpersonnel costs | 62.5 | 59.3 | 3.1 |
| Rental payments, etc | 6.2 | 7.8 | -1.5 |
| Taxes | 14.3 | 14.6 | -0.2 |
| Depreciation | 22.8 | 22.3 | 0.4 |
| | 178.1 | 178.0 | 0 |
| Operating income: | 29.2 | 24.1 | 5.0 |
| Nonoperating revenues and expenses, net | | | |
| Operating revenues | 0.5 | 0.5 | -0 |
| Nonoperating expenses | 10.2 | 11.0 | -0.7 |
| | -9.7 | -10.5 | 0.7 |
| Recurring profit: | 19.4 | 13.6 | 5.8 |
| Extraordinary profit and loss, net | | | |
| Extraordinary profit | 2.1 | 14.2 | -12.0 |
| Extraordinary loss | 1.9 | 13.9 | -11.9 |
| | 0.1 | 0.3 | -0.1 |
| Income before income taxes | 19.6 | 14.0 | 5.6 |
| Income taxes | 8.3 | 5.1 | 3.1 |
| Net income | 11.3 | 8.8 | 2.5 |

| | Billions of yen | | |
|-------------------------------------|---|----------------------------------|--------------|
| | First quarter of FY 2005 (as of June 30, 2004) | FY2004 (as of March 31, 2004) | Change |
| ASSETS | | | |
| Current assets: | | | |
| Total current assets | 80.1 | 115.7 | -35.5 |
| Fixed assets: | | | |
| Fixed assets for railway operations | 1,713.9 | 1,723.3 | -9.3 |
| Construction in progress | 68.1 | 66.8 | 1.2 |
| Investments and other assets | 212.4 | 220.9 | -8.5 |
| Total fixed assets | 1,994.5 | 2,011.1 | -16.6 |
| Total assets | 2,074.6 | 2,126.8 | -52.1 |

| | Billions of yen | | |
|---|---|----------------------------------|--------------|
| | First quarter of FY 2005 (as of June 30, 2004) | FY2004 (as of March 31, 2004) | Change |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Current portion of long-term debt | 47.8 | 89.9 | -42.0 |
| Accounts payable | 363.3 | 426.9 | -63.6 |
| Total current liabilities | 411.1 | 516.9 | -105.7 |
| Total long-term liabilities: | | | |
| Bonds and long-term debt | 1,013.4 | 974.0 | 39.3 |
| Retirement allowances for employees | 190.2 | 191.6 | -1.3 |
| Other long-term liabilities | 17.3 | 4.8 | 12.4 |
| Total long-term liabilities | 1,221.0 | 1,170.6 | 50.4 |
| Total liabilities | 1,632.1 | 1,687.5 | -55.3 |
| Capital stock | 100.0 | 100.0 | - |
| Capital surplus | 55.0 | 55.0 | - |
| Retained earnings: | | | |
| Earned legal surplus | 11.3 | 11.3 | - |
| Reserved for advanced depreciation on property | 7.6 | 3.4 | 4.2 |
| Other reserves | 210.0 | 190.0 | 20.0 |
| Unappropriated income for current year (Net income) | 54.8 | 75.8 | -20.9 |
| Total retained earnings | 283.8 | 280.5 | 3.2 |
| Evaluation differences on other securities | 3.6 | 3.7 | -0.1 |
| Total shareholders' equity | 442.4 | 439.3 | 3.1 |
| Total liabilities and shareholders' equity | 2,074.6 | 2,126.8 | -52.1 |

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WEST JAPAN RAILWAY COMPANY

Nov 5, 2004

Last posted on Nov 5, 2004

West Japan Railway Company

Flash Report (Consolidated and Non-Consolidated Basis)

Results for the period ended September 30, 2004

Forward-Looking Statements

Statements made in this release with respect to JR-West's plans, objectives, strategies, beliefs, including any forecasts or projections, and other statements that are not historical facts are forward-looking statements about the future performance of JR-West that are based on management expectations, assumptions, estimates and beliefs in light of the information currently available to it. Such forward-looking statements are subject to various risks and uncertainties that could cause actual results to be different, possibly materially, from the results anticipated in the statements. Potential risks and uncertainties include, without limitation, the following:

- economic recession, deflation, declines in population or other factors that negatively affect our businesses;
- adverse changes in governmental regulations and guidelines;
- service improvements and decreases in price among competitors;
- declines in operating revenues or unexpected increases in costs;
- liability or adverse publicity associated with property or casualty losses; and
- earthquake and other natural disaster risks.

Information for which the date is not specified in this release is as of November 5, 2004. JR-West does not undertake to revise forward-looking statements to reflect future events or circumstances.

The contents of this document were, to be best of our knowledge, current and accurate as of November 5, 2004. However, the passage of time may have rendered the information in this document stale. We will not review this document after its posting on November 5, 2004 to determine whether it remains accurate, and information in this document may have been superseded by subsequent announcements. We disclaim any responsibility to update, revise or correct this document, whether as a result of new information, future events or otherwise.

Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya and Fukuoka Stock Exchanges

Code number: 9021

URL: <http://www.westjr.co.jp>

Address of headquarters: 4-24, Shibata 2-chome, Kita-ku, Osaka 530-8341, Japan

President: Takeshi Kakiuchi

For further information, please contact: Tatsuo Kijima, General Manager, Corporate Communications Department

Telephone: +81-6-6375-8889

Date for Convening the Board of Directors Meeting for Approval of the Consolidated Financial Statements : November 5, 2004

Adoption of U.S. GAAP: No

1. Results for the six months ended September 30, 2004

(1) Operating results

(Figures less than ¥1 million have been omitted)

| | Operating revenues | | Operating income | | Recurring profit | |
|-------------------------------------|--|-------|--|--------|--|--------|
| | (% change from the previous interim period) | | (% change from the previous interim period) | | (% change from the previous interim period) | |
| | Millions of yen | | Millions of yen | | Millions of yen | |
| Six months ended September 30, 2004 | 601,528 | (1.6) | 71,884 | (14.4) | 51,831 | (24.9) |
| Six months ended September 30, 2003 | 592,204 | (2.2) | 62,829 | (-5.5) | 41,509 | (-1.1) |
| Year ended March 31, 2004 | 1,215,735 | | 126,930 | | 85,863 | |

| | Net income | | Net income per share | Net income per share after dilution |
|-------------------------------------|--|--------|----------------------|-------------------------------------|
| | (% change from the previous interim period) | | | |
| | Millions of yen | | Yen | Yen |
| Six months ended September 30, 2004 | 40,765 | (51.7) | 20,391.82 | — |
| Six months ended September 30, 2003 | 26,867 | (15.4) | 13,439.57 | — |
| Year ended March 31, 2004 | 47,016 | | 23,423.19 | — |

Notes: 1. Gain/(loss) on investment in equity method affiliates:

Six months ended September 30, 2004: ¥ 379 million

Six months ended September 30, 2003: ¥ 620 million

Year ended March 31, 2004: ¥ 1,018million

2. Average number of shares outstanding during period:

Six months ended September 30, 2004: 1,999,115 shares

Six months ended September 30, 2003: 1,999,115 shares

Year ended March 31, 2004: 1,999,115 shares

3. Changes in accounting method: The JR-West Group made an early application of fixed asset impairment accounting principles.

4. Percentages indicate increase/(decrease) in operating revenues, operating income, recurring profit, and net income relative to the previous interim period.

(2) Financial position

| | Total assets | Total shareholders' equity | Shareholders' equity ratio | Shareholders' equity per share |
|-------------------------------------|-----------------|----------------------------|----------------------------|--------------------------------|
| | Millions of yen | Millions of yen | % | Yen |
| Six months ended September 30, 2004 | 2,371,428 | 510,139 | 21.5 | 255,182.82 |
| Six months ended September 30, 2003 | 2,404,612 | 463,317 | 19.3 | 231,761.51 |
| Year ended March 31, 2004 | 2,410,358 | 479,762 | 19.9 | 239,876.24 |

Note: Number of shares outstanding at period end (Consolidated basis):

Six months ended September 30, 2004: 1,999,115 shares

Six months ended September 30, 2003: 1,999,115 shares

Year ended March 31, 2004: 1,999,115 shares

(3) Cash flows

| | Operating activities | Investing activities | Financing activities | Cash at end of the six months |
|-------------------------------------|----------------------|----------------------|----------------------|-------------------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Six months ended September 30, 2004 | 37,785 | -9,045 | -22,837 | 76,558 |
| Six months ended September 30, 2003 | 36,020 | -49,268 | -18,739 | 58,121 |
| Year ended March 31, 2004 | 140,229 | -91,691 | -67,991 | 70,655 |

(4) Number of subsidiaries and affiliates

Consolidated subsidiaries: 66

Unconsolidated subsidiaries: 0

Affiliates accounted for by the equity method: 4

(5) Changes in the scope of consolidation

The number of consolidated companies added: 1

The number of consolidated companies removed: 1

The number of equity method affiliates added: 0

The number of equity method affiliates removed: 0

Forecasts for fiscal 2005 (April 1, 2004 to March 31, 2005)

| | Operating revenues | Recurring profit | Net income |
|-------------|--------------------|------------------|-----------------|
| | Millions of yen | Millions of yen | Millions of yen |
| Fiscal year | 1,222,900 | 93,500 | 57,200 |

(Reference) Consolidated net income per share for the fiscal year is forecast to be ¥28,517.15

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements.

Please see p.21 of the attached document for more information regarding the aforementioned forecasts.

1. Management Policy

The West Japan Railway Company Group companies (the JR-West Group) are principally engaged in railway operations. Complementary operations in sales of goods and food services and real estate are undertaken with the aim of providing services primarily to the JR-West Group's railway passengers and leveraging the commercial potential of station premises and surrounding properties.

In the execution of these various operations and in line with its basic management policy, West Japan Railway Company (JR-West) and its affiliated companies are working together to realize optimal use of their corporate resources and enhanced competitive strength in their markets. At the same time, they have steadily worked to reinforce their operating structures through focused and effective capital investments and by reconfiguring their administrative and operational systems for increased efficiency.

Amid today's difficult operating environment, JR-West will strive to increase corporate value and maximize the consolidated profit levels of the JR-West Group as a whole. Toward this goal, JR-West will accurately identify market trends while implementing all possible measures and enhance competitive strength in a strategic and timely manner by achieving optimal use of corporate resources.

2. Basic Policy Regarding the Distribution of Profits

JR-West's basic policy is to make stable dividend payments while securing adequate internal capital reserves to maintain a management foundation that is capable of supporting stable, long-term growth.

3. Medium-Term Management Strategy

In November 2001, the JR-West Group established new medium-term management targets for fiscal 2002 to fiscal 2006. Under the collective title "The Second Stage of Railway Revitalization," these targets set the following basic policies:

1. Enhance the security and reliability we offer to our customers
2. Contribute to the advancement and development of society and the economy, with the railway as our core business
3. Increase corporate value and live up to the expectations of our shareholders
4. Strive for business operations that are friendly to the global environment

The following are JR-West's numerical targets for fiscal 2006:

1. Operating income ROA (Return on Assets): 5.4% (Consolidated)
2. Net income ROE (Return on Equity): 9.6% (Consolidated)
3. Operating income: ¥130.0 billion (Consolidated)
4. Net income: ¥50.0 billion (Consolidated)
5. Long-term debt and payables: ¥1,100.0 billion (Consolidated), ¥1,000.0 billion (Non-consolidated)
6. Number of employees at the start of the fiscal year: 32,000 (Non-consolidated)

Although Japan's economy is slowly recovering, the operating environment surrounding the JR-West Group is expected to remain challenging for the foreseeable future, owing to such factors as a decline in the size of Japan's labor force due to a decreasing birthrate and an aging population and intensifying competition from rival transportation operations.

Against this background, the JR-West Group aims to raise its profitability by the providing value-added products and services that take customer needs into account. In addition, JR-West Group intends to make realignments and take other measures to enhance the efficiency of its administrative and operational systems, while steadily implementing a variety of cost-cutting strategies and making the utmost efforts to meet the needs of its customers and shareholders for the years to come.

In its core railway operations, JR-West will carry forward with ongoing initiatives to ensure safety and reliability as well as continue to exert the utmost efforts to prevent accidents through the application of appropriate "soft" and "hard" tools. Moreover, in view of the derailment of the Joetsu Shinkansen at the time of the Niigata Chuetsu Earthquake in October 2004, JR-West will also proceed with the implementation of earthquake measures, including anti-seismic reinforcement of pillars supporting elevated tracks. Concerning the sales and marketing aspects of the business, in its Sanyo Shinkansen operations, JR-West will continue to enhance convenience for customers by increasing the number of "Nozomi" trains serving on the Tokaido-Sanyo route. Among intercity and regional services, JR-West will work to improve transportation services; specific measures will include increasing the number of limited express trains and stops along these lines. In its Urban Network services, along with the introduction of new rolling stock, JR-West will increase the number of trains running during the morning and evening commuting hours, especially on the JR Kyoto Line. Steps will also be taken to further improve services on the Special Rapid and Rapid service train networks. To offer ever more customer-friendly railway services, JR-West is also moving forward with development efforts to increase the convenience and services available through its "ICOCA" IC card system, while making other enhancements, including the introduction of additional barrier-free facilities and improvements in waiting rooms located on rail platforms.

Meanwhile, in its Sales of Goods and Food Services and Real Estate operations, JR-West is making steady progress in renovating Osaka Station and in the development of the New Osaka Station Building, while also moving forward with the implementation of its "NexStation Plan" aimed at improving the quality of its stations and continuing to expand business operations within its station premises. Through these and other activities, the JR-West Group is working to substantially expand its business base by making optimal use of its management resources and thereby increase the revenues and net income of the JR-West Group as a whole.

Further, the Shanghai Office of JR-West is working to generate new demand for tourism in China following the granting of permission in September for persons resident in addition areas (in the provinces of Tianjin, Liaoning, Shandong, Jiangsu, and Zhejiang) to travel overseas on group tourist visas.

5. Corporate Governance Policy and Implementation of Initiatives

In the interest of ensuring efficiency in corporate management and legality in its operations, JR-West is working to augment its corporate governance activities through such measures as accelerating the decision-making process, improving supervision of management, and increasing transparency.

(1) Administrative organization for corporate decision-making, executive, and supervisory functions and other mechanisms of corporate governance

To reinforce the supervisory function of the Board of Directors and accelerate the decision-making process, JR-West has reduced the number of directors, introduced the corporate executive officer system, and delegated substantial authority to its corporate executive officers.

In addition to such reforms, since its establishment, JR-West has welcomed individuals from outside the company who possess outstanding management prowess and considerable insight to serve as directors and auditors. At present, two of JR-West's nine directors are external directors and three of its four auditors are external auditors. By receiving valuable administrative advice and

appropriate supervision from outside perspectives, JR-West ensures the transparency and fairness of operations.

The Board of Directors, as a rule, convenes monthly to review reports on the state of business execution in a timely and appropriate manner as well as deliberate crucial management issues and implement swift decision making. In addition, a managerial council composed of representative directors and corporate executive officers of the Company deliberates on fundamental issues regarding business execution.

Based on the supervisory plans formulated by the board of auditors, JR-West's auditors attend Board of Directors' meetings and other important conferences and conduct on-site audits of branch offices and operations, thereby supervising the Board of Directors' execution of its duties as well as providing necessary advice and counsel. Auditors also obtain business reports from subsidiaries and affiliates with which to survey the state of their operations and their financial situations. In addition, through regularly held auditors' conferences, JR-West's auditors review reports on crucial supervisory issues and discuss and decide action measures.

Thus, JR-West has long been putting into practice the basic tenets of the "company with committees" system, and JR-West believes that the ongoing implementation of its current auditor system is the most appropriate approach to augmenting corporate governance.

Regarding internal control mechanisms, in addition to building a framework to apply a systems check with such tools as a collective decision-making system, JR-West is establishing the appropriate committees and organization revisions needed to ensuring transparency and efficiency in the execution of its operations. Moreover, the Auditing Office, an internal supervisory body, conducts supervision of all of JR-West's operations to confirm compliance with laws and regulations and the proper running of operations. Most importantly, JR-West recognizes that ensuring safe and stable transportation is its most important task, and, to this end, the Safety Measures Committee, an internal deliberative organ, determines accident prevention measures and provides the Board of Directors with timely and appropriate reports on its efforts.

Furthermore, to improve its efforts to promote corporate ethics, in November 2002, JR-West established an employee ethics code, an ethics committee, and an ethics consultation office with the aims of *improving awareness of ethics-related matters through a program of activities that includes consultation and seminars*. In addition, in view of significantly increasing demands for corporations to act responsibly, JR-West is pursuing a range of initiatives that include training programs, to reinforce an awareness of compliance issues among all employees.

In financial auditing, JR-West has commissioned Shin Nihon & Co. as its independent auditor to provide proper auditing based on auditing principles that are generally accepted as fair and adequate. JR-West also commissions certain attorneys to receive advice and guidance pertinent to specific areas.

(2) Overview of personal, capital, and transactional relations and other interests between JR-West and its external directors and auditors.

External director Yoshio Tateishi, as the Representative Director and Chairman of Omron Corporation, external director Akio Nomura, as the Representative Director and Chairman of Osaka Gas Co., Ltd., and external auditor Josei Ito, as the Representative Director and Chairman of Nippon Life Insurance Company, have transactional relations with JR-West.

(3) Implementation of measures to augment corporate governance over the past six months.

During the interim period of fiscal 2005, the Board of Directors convened 6 times, received reports on the execution of operations in a timely and appropriate manner, deliberated on crucial managerial issues, and conducted prompt decision making.

Through attendance in meetings of the Board of Directors and other important conferences, JR-West's auditors carried out supervision of the directors' execution of their duties and provided necessary advice and counsel. The Board of Auditors convened 8 times, reviewed reports on crucial supervisory matters, and discussed and made decisions on the formulation of auditing plans and other necessary issues.

(2) PERFORMANCE HIGHLIGHTS

The Japanese economy continued to recover gradually during the interim period under review, supported by increases in private capital investment and improvement in personal consumption, despite lingering uncertainties regarding exports and employment conditions.

Against this economic background, on March 12, 2004, all JR-West shares held by the Japan Railway Construction, Transport and Technology Agency were sold, thereby making JR-West an entirely private company. In view of this development, the members of the JR-West Group undertook renewed initiatives during the interim period under review with a common awareness of the need for independent action and accountability to reach its medium-term management targets established in November 2001 and maximize its net income, principally in its core railway operations, through the effective use of its assets as well as other measures.

As a result, for the interim period ended September 30, 2004, the JR-West Group reported operating revenues of ¥601.5 billion, up 1.6% year on year; operating income of ¥71.8 billion, up 14.4%; recurring profit of ¥51.8 billion, up 24.9%; and income after income taxes of ¥40.7 billion, up 51.7%.

1. Results by Business Segment (Consolidated Basis)

Transportation Operations

In its railway operations, JR-West, in view of awareness of the paramount importance of safety and reliability, worked to raise the safety consciousness of all personnel through the institution of "Safety Promotion Days" on a regular basis. Also, to improve the practical business capabilities of each and every employee, JR-West utilized the capabilities of its Training Center to implement training and guidance programs in line with activities at the working level. In addition, JR-West carried out other measures related to both "soft" and "hard" tools, including improvements in railway crossings and emergency stop buttons installed on railway platforms.

Concerning the sales and marketing aspects of the business, since the revision of timetables implemented in October 2003, when JR-West introduced a number of service improvements, including expanding the number of Nozomi Trains on the Sanyo Shinkansen, designating non-reserved seating, and increasing the number of stations where Nozomi Trains stop, the number of customers has increased steadily. To reap additional benefits, JR-West also adopted other measures to enhance the competitiveness of its services, including expanding the number of routes where customers can take advantage of Nozomi early reservation discount tickets. Other initiatives on intercity and regional lines included working to expand the number of customers using the ICOCA IC card system, which was introduced in November 2003, on JR-West's Urban Network (covering the Kyoto-Osaka-Kobe area). In addition, JR-West is working with JR-East to improve convenience for their customers by expanding the possibilities for mutual IC card usage. For example, beginning in August 2004, holders of JR-East's "Suica" IC cards can use them on JR-West routes and holders of ICOCA cards can now use them on JR-East's Tokyo metropolitan area and Sendai routes. Moreover, JR-West implemented aggressive sales activities, including campaigns focusing on promoting travel mainly from the Tokyo area to other parts of the country. These included the "Discover West" campaign, launched in fiscal 2004, and a new "Japanese Beauty Hokuriku" campaign.

Services on the Sanyo Shinkansen and many other routes unfortunately had to be suspended as a result of inclement weather conditions and other natural disasters, including torrential rains and a series of typhoons. Heavy rains in July 2004 caused substantial damage, including the washing away of supports of bridges on the Etsumi Hoku Line and suspension of services between Ichijodani and Miyama.

Initiatives to improve customer service included the establishment of the JR-West Customer Center, which responds to a wide range of inquiries and other customer matters. Other activities

barrier-free facilities, including the installation of more elevators and escalators, improvements in platform waiting areas, and the beautification of station rest rooms.

Reflecting its concern for preserving the natural environment, JR-West engages in a range of activities to reduce the environmental impact of its operations. These include the development of an environmental management system, based on ISO 14001 international standards and tailored to JR-West's business activities, to monitor and help control the effects of its daily operations on the environment. Other activities include the development of energy-conserving rolling stock and recycling of used materials.

In its bus services, the JR-West Group worked to enhance customer convenience in a number of areas. These included establishing new highway bus routes, including daytime express service between Yokohama and Osaka and between Hiroshima and Kyoto. Also, JR-West Group introduced a dedicated telephone reservation center for the convenience of customers using the JR-West Group's highway bus routes between Kyoto/Osaka/Kobe and Tokyo/Shinjuku.

As a result, operating revenues for Transportation Operations increased 1.7%, to ¥424.0 billion, and operating income climbed 14.7%, to ¥58.5 billion, as compared with the same period of the previous fiscal year.

Sales of Goods and Food Services

As part of "NexStation Plan" efforts, formulated in fiscal 2003, to bolster the competitiveness of its stations, JR-West has worked to expand its food and merchandise outlets in and around its stations. These activities have included opening "Daily•in" mini-convenience stores and eateries inside Sannomiya and Tennoji stations. In addition, the JR-West Group has worked to expand revenues in these outlets by reviewing and reshuffling brand goods offered, principally women's fashion goods, and expanding operating hours and the number of days its JR Kyoto Isetan retail area is open.

As a result, operating revenues for the Sales of Goods and Food Services segment rose 2.4%, to ¥114.7 billion, and operating income climbed 4.5%, to ¥2.9 billion, as compared with the same period of the previous fiscal year.

Real Estate

The JR-West Group's efforts to develop its operations in and around stations include the remodeling and expansion of floor space of J-Mall Rokkomichi and the opening of a mini station building with retail merchandise outlets and eateries on the west side of Hiroshima Station. Also, the JR-West Group worked to make the effective use of its assets through the development of condominiums and residential land. Along with these activities, the JR-West Group began the renovation of Osaka Station in May 2004 as part of activities to thoroughly refurbish the station and develop the New Osaka Station Building adjacent to the existing station.

As a result, operating revenues for the Real Estate segment edged up 0.7%, to ¥34.5 billion, and operating income rose 9.0%, to ¥9.2 billion, as compared with the same period of the previous year.

Other Businesses

The JR-West Group's travel agency operations conducted aggressive marketing activities, as demand for travel held firm in comparison with the previous year. Activities included the expansion of high-value-added travel packages and the differentiation of promotional activities to meet the needs and preferences of various customer segments, including the introduction of electronic travel applications.

In hotel operations, the performance of the lodging division was strong and initiatives were taken to secure revenues, including the holding of various events in the banquet and food/beverage areas as well as providing new benefits for JR-West Hotels cardholders.

As a result, operating revenues increased 1.3% from the same period of the previous fiscal year, to ¥110.9 billion, and operating income leaped 255.7%, to ¥0.8 billion, as compared with the same period of the previous year.

The JR-West Group believes that the operating environment will remain challenging. Thus, the Group will implement a variety of measures to leverage its management resources to secure stable earnings and profits and, in turn, maximize corporate value.

Consolidated results forecasts for the fiscal year ending March 31, 2005, are as follows:

| | | |
|--------------------|---|-----------------|
| Operating revenues | ¥ | 1,222.9 billion |
| Operating income | ¥ | 131.3 billion |
| Recurring profit | ¥ | 93.5 billion |
| Net income | ¥ | 57.2 billion |

2. Financial Position

1. Cash flows from operating activities

Income before income taxes adjustment increased and cash flows provided by operating activities amounted to ¥37.7 billion, ¥1.7 billion higher than for the same period of the previous fiscal year.

2. Cash flows from investing activities

Cash flows used in investing activities came to ¥9.0 billion, ¥40.2 billion less than for the same period of the previous fiscal year. Although JR-West made capital investments in new rolling stock, other equipment to promote reliable transport, and improvements in transport capacity, much of this was financed through the sale of investment securities.

3. Cash flows from financing activities

Cash used in financing activities increased ¥4.0 billion, to ¥22.8 billion, compared with the same period of the previous fiscal year, as a result of a reduction in long-term debt of ¥19.9 billion and payment of dividends.

As a result of the aforementioned factors, cash and cash equivalents at the end of the interim period of fiscal 2005 were up ¥5.9 billion, to ¥76.5 billion, compared with the end of the same period of the previous fiscal year.

Cash Flow Indicators

| | Fiscal 2001 | Fiscal 2002 | Fiscal 2003 | Fiscal 2004 | Fiscal 2005 interim period |
|--|-------------|-------------|-------------|-------------|----------------------------------|
| Equity ratio (%) | 16.1 | 17.0 | 18.1 | 19.9 | 21.5 |
| Market-based rate of equity ratio (%) | 41.6 | 41.3 | 30.8 | 34.6 | 36.3 |
| Number of years of extinguishment of debt | 12.3 | 10.5 | 9.7 | 8.8 | - |
| Interest coverage ratio | 1.8 | 2.2 | 2.5 | 2.8 | 3.3 |

Notes:

Equity ratio: shareholders' equity/total assets

Market-based rate of equity ratio: total market capitalization/total assets

Number of years of extinguishment of debt: interest-bearing debt / (operating income + interest & dividend income)

Interest coverage ratio: (operating income + interest & dividend income) / interest expense

Notes:

1. All of the figures in the above table indices were calculated on a consolidated basis.

2. Total market capitalization was calculated by multiplying the closing stock price at the fiscal year end by the total amount of outstanding stock at the fiscal year end (excluding treasury stock).

3. Interest-bearing debt refers to long-term interest-bearing debt.

4. The number of years of extinguishment of debt was not reported for the interim period.

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | | |
|--|-----------------------|-------------------|----------------------------------|-----------------------|
| | September 30, 2004 | March 31, 2004 | Change from the previous year | September 30, 2003 |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash | 77,218 | 71,317 | 5,901 | 58,912 |
| Trade notes receivable | 9,380 | 12,464 | -3,084 | 9,312 |
| Railway fares receivable | 20,083 | 12,681 | 7,402 | 15,498 |
| Accounts receivable | 31,974 | 35,747 | -3,773 | 29,289 |
| Refund of Income tax receivable | 0 | 55 | -55 | 0 |
| Marketable securities | 2 | 12 | -10 | 12 |
| Inventory | 22,986 | 16,241 | 6,744 | 23,981 |
| Deferred tax assets | 20,908 | 25,436 | -4,528 | 23,654 |
| Other current assets | 31,202 | 28,761 | 2,440 | 30,952 |
| Less allowance for doubtful accounts | -312 | -352 | 39 | -207 |
| Total current assets | 213,443 | 202,366 | 11,077 | 191,406 |
| Fixed assets: | | | | |
| Property, plant and equipment: | 1,995,596 | 2,041,726 | -46,130 | 2,052,470 |
| Buildings | 979,412 | 1,005,173 | -25,760 | 1,017,162 |
| Machinery, equipment and transport equipment | 250,029 | 249,047 | 981 | 247,011 |
| Land | 674,212 | 678,705 | -4,493 | 680,913 |
| Construction in progress | 70,745 | 67,705 | 3,039 | 67,259 |
| Other property, plant and equipment | 21,196 | 41,094 | -19,897 | 40,124 |
| Intangible fixed assets | 19,934 | 20,779 | -844 | 14,041 |
| Consolidation goodwill | 214 | 335 | -120 | 385 |
| Other | 19,720 | 20,443 | -723 | 13,655 |
| Investments and other assets: | 142,451 | 145,482 | -3,030 | 146,669 |
| Investment securities | 51,044 | 56,188 | -5,144 | 55,153 |
| Deferred tax assets | 69,554 | 65,030 | 4,524 | 67,374 |
| Other investments and assets | 23,344 | 25,717 | -2,372 | 25,518 |
| Less allowance for doubtful accounts | -1,491 | -1,454 | -37 | -1,377 |
| Total fixed assets | 2,157,983 | 2,207,988 | -50,005 | 2,213,181 |
| Deferred assets | 2 | 4 | -2 | 24 |
| Total assets | 2,371,428 | 2,410,358 | -38,930 | 2,404,612 |

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | | |
|--|-----------------------|-------------------|----------------------------------|-----------------------|
| | September 30, 2004 | March 31, 2004 | Change from the previous year | September 30, 2003 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Current liabilities: | | | | |
| Trade notes payable | 28,584 | 42,710 | -14,125 | 31,847 |
| Short-term loans | 15,130 | 9,943 | 5,186 | 8,114 |
| Current portion of long-term debt | 18,843 | 59,273 | -40,430 | 68,168 |
| Current portion of long-term payables for acquisition of railway properties | 37,745 | 37,723 | 21 | 35,627 |
| Accounts payable | 47,571 | 84,926 | -37,354 | 49,209 |
| Accrued consumption tax | 5,272 | 8,678 | -3,405 | 8,446 |
| Accrued income tax | 31,390 | 29,293 | 2,096 | 27,852 |
| Railway deposits received | 6,048 | 2,539 | 3,509 | 8,770 |
| Deposits received | 62,156 | 71,943 | -9,787 | 59,159 |
| Prepaid railway fares received | 34,497 | 30,080 | 4,416 | 33,699 |
| Advances received | 108,706 | 81,685 | 27,020 | 100,653 |
| Allowance for bonuses | 36,461 | 37,044 | -583 | 38,259 |
| Provision for loss on guarantees | - | - | - | 100 |
| Reserve for compensation of completion of construction | 38 | 39 | -1 | 39 |
| Reserve for repairs on concrete structures | - | - | - | 504 |
| Reserve for losses on liquidation of businesses | - | 20,660 | -20,660 | - |
| Other current liabilities | 30,697 | 28,398 | 2,299 | 30,315 |
| Total current liabilities | 463,143 | 544,942 | -81,798 | 500,769 |
| Long-term liabilities: | | | | |
| Bonds | 220,000 | 210,000 | 10,000 | 215,000 |
| Long-term debt | 315,061 | 293,351 | 21,710 | 299,383 |
| Long-term payables for acquisition of railway properties | 526,946 | 538,197 | -11,251 | 564,585 |
| Long-term payables for leased railway facilities | - | - | - | 49,807 |
| Deferred tax liabilities | 103 | 977 | -874 | 1,378 |
| Retirement allowances for employees | 204,122 | 208,934 | -4,811 | 176,217 |
| Other long-term liabilities | 107,611 | 110,594 | -2,983 | 112,055 |
| Total long-term liabilities | 1,373,845 | 1,362,056 | 11,789 | 1,418,429 |
| Total liabilities | 1,836,988 | 1,906,998 | -70,009 | 1,919,198 |
| Minority interest | 24,300 | 23,598 | 701 | 22,095 |
| Shareholders' equity | | | | |
| Capital stock | 100,000 | 100,000 | - | 100,000 |
| Capital surplus | 55,000 | 55,000 | - | 55,000 |
| Consolidated retained earnings | 352,063 | 319,491 | 32,571 | 304,342 |
| Evaluation differences on other securities | 3,403 | 5,597 | -2,194 | 4,302 |
| Treasury stock | -327 | -327 | - | -327 |
| Total shareholders' equity | 510,139 | 479,762 | 30,377 | 463,317 |
| Total liabilities, minority interest, and shareholders' equity | 2,371,428 | 2,410,358 | -38,930 | 2,404,612 |

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | | |
|---|-------------------------------------|-------------------------------------|---|---------------------------|
| | Six months ended September 30, 2004 | Six months ended September 30, 2003 | Change from the previous interim period | Year ended March 31, 2004 |
| Operating revenues | 601,528 | 592,204 | 9,324 | 1,215,735 |
| Operating expenses: | | | | |
| Transportation and other services and cost of sales | 436,181 | 432,570 | 3,610 | 882,886 |
| Selling, general and administrative expenses | 93,461 | 96,803 | -3,341 | 205,918 |
| | 529,643 | 529,374 | 268 | 1,088,804 |
| Operating income | 71,884 | 62,829 | 9,055 | 126,930 |
| Nonoperating revenues: | | | | |
| Interest and Dividend | 223 | 320 | -96 | 398 |
| Equity in earnings of affiliates | 379 | 620 | -241 | 1,018 |
| Other | 1,320 | 1,185 | 134 | 5,918 |
| | 1,923 | 2,126 | -203 | 7,336 |
| Nonoperating expenses: | | | | 7,336 |
| Interest | 21,613 | 23,156 | -1,542 | 45,736 |
| Other | 362 | 290 | 71 | 2,666 |
| | 21,976 | 23,446 | -1,470 | 48,403 |
| Recurring profit | 51,831 | 41,509 | 10,321 | 85,863 |
| Extraordinary profits: | | | | |
| Proceeds from construction contract | 5,222 | 16,619 | -11,396 | 29,792 |
| Compensation for expropriation | 0 | - | 0 | 7,684 |
| Gain on sales of investments in securities | 25,049 | 6,549 | 18,499 | 7,609 |
| Reversal of long-term payables for leased railway facilities | - | - | - | 52,797 |
| Other | 2,715 | 3,256 | -541 | 13,031 |
| | 32,987 | 26,425 | 6,562 | 110,915 |
| Extraordinary losses: | | | | |
| Loss on reduction entry of proceeds from construction | 5,126 | 16,523 | -11,396 | 28,988 |
| Loss on reduction entry of compensation for expropriation | 0 | - | 0 | 6,777 |
| Recognition of the prior service cost of retirement benefits due to change in retirement system | - | - | - | 38,669 |
| Provision for losses on liquidation of businesses | - | - | - | 20,660 |
| Losses on revaluation of fixed assets | 3,927 | - | 3,927 | - |
| Other | 3,313 | 6,448 | -3,134 | 12,949 |
| | 12,369 | 22,971 | -10,602 | 108,044 |
| Income before income taxes adjustment | 72,450 | 44,963 | 27,486 | 88,734 |
| Corporation, inhabitants and enterprise taxes | 29,619 | 27,232 | 2,387 | 49,832 |
| Income taxes — deferred | 859 | -9,425 | 10,285 | -10,033 |
| Minority interests in earnings of consolidated subsidiaries | 1,205 | 289 | 915 | 1,918 |
| Net income | 40,765 | 26,867 | 13,898 | 47,016 |

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | | |
|--|-------------------------------------|---------------------------|-------------------------------|-------------------------------------|
| | Six months ended September 30, 2004 | Year ended March 31, 2004 | Change from the previous year | Six months ended September 30, 2003 |
| Capital surplus at beginning of the period | 55,000 | 55,000 | - | 55,000 |
| Capital surplus at end of the period | 55,000 | 55,000 | - | 55,000 |
| Retained earnings at beginning of the period | 319,491 | 281,695 | 37,796 | 281,695 |
| Increase in retained earnings | 40,765 | 47,979 | -7,213 | 27,830 |
| Net income | 40,765 | 47,016 | -6,250 | 26,867 |
| Increase in retained earnings due to addition of consolidated subsidiaries | - | 926 | -926 | 926 |
| Increase in retained earnings due to a merger between a consolidated subsidiary and an affiliate | - | 36 | -36 | 36 |
| Appropriation of retained earnings | 8,193 | 10,183 | -1,989 | 5,183 |
| Cash dividends | 8,000 | 10,000 | -2,000 | 5,000 |
| Directors' bonuses | 193 | 183 | 10 | 183 |
| (Including corporate auditors' bonuses) | (24) | (23) | (1) | (23) |
| Retained earnings at end of the period | 352,063 | 319,491 | 32,571 | 304,342 |

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | | |
|--|---|---|---|------------------------------|
| | Six months ended September 30, 2004 | Six months ended September 30, 2003 | Change from the previous interim period | Year ended March 31, 2004 |
| I. Cash flows from operating activities | | | | |
| Income before income taxes adjustments | 72,450 | 44,963 | 27,486 | 88,734 |
| Depreciation and amortization | 55,446 | 55,553 | -106 | 115,361 |
| Losses on revaluation of fixed assets | 3,927 | - | 3,927 | - |
| Loss on reduction entry of fixed assets | 5,126 | 16,523 | -11,396 | 28,988 |
| Loss from disposal of fixed assets | 2,867 | 2,359 | 508 | 9,024 |
| Loss on write-down of investment securities | 49 | 27 | 21 | 460 |
| Amortization of consolidation adjustment | 134 | 52 | 82 | 104 |
| Change in allowance for doubtful accounts | -2 | -299 | 296 | -78 |
| Change in allowance for retirement benefits | -4,811 | -5,634 | 822 | 27,082 |
| Change in allowance for bonuses | -583 | -191 | -391 | -1,406 |
| Change in other reserves | -1 | -4,013 | 4,012 | 16,032 |
| Interest and dividends receivable | -223 | -320 | 96 | -398 |
| Interest expenses | 21,613 | 23,156 | -1,542 | 45,736 |
| Investment income from accounted for by the equity method | -379 | -620 | 241 | -1,018 |
| Proceeds from construction contract | -5,222 | -16,619 | 11,396 | -29,792 |
| Change in accounts receivable | 1,449 | 7,148 | -5,698 | -1,327 |
| Change in inventories | -6,744 | -9,835 | 3,090 | -2,095 |
| Change in accounts payable | -24,386 | -29,930 | 5,543 | -72,696 |
| Change in accrued consumption tax | -3,405 | 3,791 | -7,197 | 4,023 |
| Other | -29,292 | -4,010 | -25,281 | 3,661 |
| Sub-total | 88,012 | 82,100 | 5,912 | 230,397 |
| Interest and dividends received | 218 | 314 | -96 | 389 |
| Interest paid | -21,598 | -23,231 | 1,632 | -46,178 |
| Income taxes paid | -28,846 | -23,163 | -5,682 | -44,378 |
| Net cash provided by operating activities | 37,785 | 36,020 | 1,765 | 140,229 |
| II. Cash flows from investing activities | | | | |
| Cash placed in time deposits (maturities of more than 3 months) | -320 | -451 | 131 | -771 |
| Cash withdrawn from time deposits (maturities of more than 3 months) | 321 | 366 | -44 | 816 |
| Purchases of property, plant and equipment | -58,951 | -75,565 | 16,614 | -142,773 |
| Proceeds from sales of property, plant and equipment | 2,269 | 1,592 | 677 | 5,551 |
| Receipts of contributions for the construction of railway facilities | 21,417 | 17,398 | 4,018 | 36,719 |
| Purchases of investment securities | -319 | -616 | 296 | -650 |
| Proceeds from sales of investment securities | 26,431 | 8,341 | 18,090 | 10,243 |
| Decrease in loans | -247 | -291 | 43 | -328 |
| Collections of loans and advances | 592 | 203 | 388 | 454 |
| Other | -239 | -245 | 6 | -953 |
| Net cash used in investing activities | -9,045 | -49,268 | 40,223 | -91,691 |
| III. Cash flows from financing activities | | | | |
| Change in short-term borrowings, net | 904 | 1,077 | -173 | 1,126 |
| Increase in long-term debt | 32,000 | 36,300 | -4,300 | 39,500 |
| Repayment of long-term debt | -50,719 | -43,200 | -7,519 | -61,327 |
| Proceeds from issuance of bonds | 10,000 | - | 10,000 | 20,000 |
| Payments for amortization of bonds | - | - | - | -25,000 |
| Repayment of Long-term payables of acquisition of railway properties | -11,229 | -11,049 | -180 | -35,340 |
| Cash dividends | -7,966 | -5,004 | -2,962 | -10,011 |
| Payment of cash dividends to minority interests | -112 | -112 | - | -112 |
| Other | 4,288 | 3,249 | 1,038 | 3,174 |
| Net cash used in financing activities | -22,837 | -18,739 | -4,097 | -67,991 |
| IV. Change in cash and cash equivalents, net | 5,902 | -31,987 | 37,890 | -19,453 |
| V. Cash and cash equivalents at beginning of the period | 70,655 | 89,310 | -18,655 | 89,310 |
| VI. Change in cash and cash equivalents accompanying consolidation of additional subsidiaries | - | 798 | -798 | 798 |
| VII. Cash and cash equivalents at end of the period | 76,558 | 58,121 | 18,437 | 70,655 |

Six months ended September 30, 2003

| | Millions of yen | | | | | | |
|---|-----------------|----------------------------------|-------------|---------|---------|-----------------------------|--------------|
| | Transportation | Sales of goods and food services | Real estate | Other | Total | Eliminations and intergroup | Consolidated |
| Operating revenues and income: | | | | | | | |
| Operating revenues from third parties | 408,487 | 95,826 | 28,478 | 59,411 | 592,204 | - | 592,204 |
| Intergroup operating revenues and transfers | 8,405 | 16,212 | 5,824 | 50,123 | 80,566 | (80,566) | - |
| Total sales | 416,892 | 112,039 | 34,303 | 109,534 | 672,770 | (80,566) | 592,204 |
| Operating expenses | 365,828 | 109,209 | 25,807 | 109,295 | 610,140 | (80,766) | 529,374 |
| Operating income | 51,064 | 2,829 | 8,495 | 239 | 62,629 | 199 | 62,829 |

Six months ended September 30, 2004

| | Millions of yen | | | | | | |
|---|-----------------|----------------------------------|-------------|---------|---------|-----------------------------|--------------|
| | Transportation | Sales of goods and food services | Real estate | Other | Total | Eliminations and intergroup | Consolidated |
| Operating revenues and income: | | | | | | | |
| Operating revenues from third parties | 415,780 | 96,987 | 28,597 | 60,162 | 601,528 | - | 601,528 |
| Intergroup operating revenues and transfers | 8,296 | 17,763 | 5,961 | 50,782 | 82,804 | (82,804) | - |
| Total sales | 424,076 | 114,751 | 34,558 | 110,945 | 684,332 | (82,804) | 601,528 |
| Operating expenses | 365,523 | 111,794 | 25,295 | 110,095 | 612,708 | (83,065) | 529,643 |
| Operating income | 58,553 | 2,956 | 9,263 | 850 | 71,624 | 260 | 71,884 |

Fiscal 2004 (April 1, 2003 to March 31, 2004)

| | Millions of yen | | | | | | |
|---|-----------------|----------------------------------|-------------|---------|-----------|-----------------------------|--------------|
| | Transportation | Sales of goods and food services | Real estate | Other | Total | Eliminations and intergroup | Consolidated |
| Operating revenues and income: | | | | | | | |
| Operating revenues from third parties | 827,639 | 196,856 | 57,970 | 133,269 | 1,215,735 | - | 1,215,735 |
| Intergroup operating revenues and transfers | 16,618 | 32,959 | 12,016 | 123,964 | 185,559 | (185,559) | - |
| Total sales | 844,258 | 229,815 | 69,987 | 257,233 | 1,401,294 | (185,559) | 1,215,735 |
| Operating expenses | 749,841 | 224,147 | 51,967 | 247,580 | 1,273,537 | (184,733) | 1,088,804 |
| Operating income | 94,417 | 5,667 | 18,019 | 9,653 | 127,757 | (826) | 126,930 |

Notes: 1. Fractional sums less than ¥1 million have been omitted.

2. Method of defining business segments: With the standard breakdown of Japanese manufacturers as a base, business segments have been determined in a way that shows as precisely and accurately as possible the actual diversity of present business conditions.

3. Main activities of business segments

Transportation: railways, ferries, buses

Sales of goods and food services: department store, sales of food and beverages, wholesale of various goods, etc.

Real estate business: brokerage and leasing of real estate, operation of shopping center

Other: hotels, travel services, rental of goods, construction, etc.

2. Information by location

As there were no overseas subsidiaries in the interim period of fiscal 2004 or 2005, this item was not included.

3. Overseas sales

As there were no overseas sales in the interim period of fiscal 2004 or 2005, this item was not included.

Company name: West Japan Railway Company

Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya and Fukuoka Stock Exchanges

Code number: 9021

URL: <http://www.westjr.co.jp>

Address of headquarters: 4-24, Shibata 2-chome, Kita-ku, Osaka 530-8341, Japan

President: Takeshi Kakiuchi

For further information, please contact: Tatsuo Kijima, General Manager, Corporate Communications Department

Telephone: +81-6-6375-8889

Date for Convening the Board of Directors Meeting for Approval of the Non-Consolidated Financial Statements:
November 5, 2004

Interim dividends: Yes

Date of payment of interim dividends: December 10, 2004

Unit stock system: No

1. Results for six months ended September 30, 2004

(1) Operating results

(Figures less than ¥1 million have been omitted)

| | Operating revenues (% change from the previous interim period) | | Operating income (% change from the previous interim period) | | Recurring profit (% change from the previous interim period) | |
|-------------------------------------|--|--------|--|--------|--|--------|
| | Millions of yen | | Millions of yen | | Millions of yen | |
| Six months ended September 30, 2004 | 424,230 | (1.6) | 63,790 | (13.0) | 44,339 | (25.0) |
| Six months ended September 30, 2003 | 417,703 | (-2.0) | 56,436 | (0.3) | 35,475 | (5.5) |
| Year ended March 31, 2004 | 845,892 | | 105,475 | | 65,028 | |

| | Net income (% change from the previous interim period) | | Net income per share |
|-------------------------------------|--|--------|----------------------|
| | Millions of yen | | Yen |
| Six months ended September 30, 2004 | 36,018 | (47.1) | 18,009.02 |
| Six months ended September 30, 2003 | 24,486 | (23.4) | 12,243.18 |
| Year ended March 31, 2004 | 37,174 | | 18,536.62 |

Notes: 1. Average number of shares outstanding during period:

Six months ended September 30, 2004: 2,000,000 shares

Six months ended September 30, 2003: 2,000,000 shares

Year ended March 31, 2004: 2,000,000 shares

2. Changes in accounting method: The JR-West Group made an early application of fixed asset impairment accounting principles.

3. Percentages indicate year-on-year increase/(decrease) in operating revenues, operating income, recurring profit, and net income.

(2) Dividends

| | Interim dividends per share | Dividends per share for the fiscal years |
|-------------------------------------|--------------------------------|---|
| | Yen | Yen |
| Six months ended September 30, 2004 | 2,500.00 | - |
| Six months ended September 30, 2003 | 2,500.00 | - |
| Year ended March 31, 2004 | - | 6,500.00 |

Note: Dividends of this period include no commemorative dividend and no special dividend.

(3) Financial position

| | Total assets | Total shareholders' equity | Shareholders' equity ratio | Shareholders' equity per share |
|-------------------------------------|---------------------|-----------------------------------|-----------------------------------|---------------------------------------|
| | Millions of yen | Millions of yen | % | Yen |
| Six months ended September 30, 2004 | 2,110,512 | 466,309 | 22.1 | 233,154.96 |
| Six months ended September 30, 2003 | 2,120,493 | 430,152 | 20.3 | 215,076.04 |
| Year ended March 31, 2004 | 2,126,893 | 439,381 | 20.7 | 219,640.07 |

Note: Number of shares outstanding at period end:

Six months ended September 30, 2004: 2,000,000 shares

Six months ended September 30, 2003: 2,000,000 shares

Year ended March 31, 2004: 2,000,000 shares

There was no outstanding treasury stock at September 30, 2004 and 2003, and March 31, 2004

2. Forecasts for fiscal 2005 (April 1, 2004 to March 31, 2005)

| | Operating revenues | Recurring profit | Net income | Dividends per share for the fiscal year | |
|-------------|---------------------------|-------------------------|-------------------|--|----------|
| | Millions of yen | Millions of yen | Millions of yen | Year end dividends | |
| | | | | Yen | Yen |
| Fiscal year | 848,300 | 74,000 | 48,000 | 2,500.00 | 5,000.00 |

(Reference) Net income per share for the fiscal year is forecast to be ¥ 23,949.50.

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | | |
|--------------------------------------|-----------------------|------------------|----------------------------------|-----------------------|
| | September 30, 2004 | March 31, 2004 | Change from the previous year | September 30, 2003 |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash | 58,903 | 42,746 | 16,157 | 33,384 |
| Railway fares receivable | 22,217 | 14,271 | 7,946 | 17,302 |
| Accounts receivable | 7,610 | 11,951 | -4,341 | 8,061 |
| Accrued income | 2,199 | 4,383 | -2,183 | 2,803 |
| Short-term loans | 6,955 | 8,432 | -1,476 | 8,973 |
| Real estate for sale | 31 | 45 | -13 | 64 |
| Materials and supplies | 6,557 | 4,405 | 2,152 | 7,563 |
| Prepaid expenses | 3,761 | 1,961 | 1,800 | 4,101 |
| Deferred tax assets | 15,646 | 21,050 | -5,404 | 17,350 |
| Other current assets | 7,963 | 6,676 | 1,286 | 7,580 |
| Less allowance for doubtful accounts | -187 | -197 | 10 | -111 |
| Total current assets | 131,659 | 115,727 | 15,931 | 107,074 |
| Fixed assets: | | | | |
| Railway | 1,562,463 | 1,582,454 | -19,990 | 1,579,193 |
| Ferry | 178 | 187 | -8 | 177 |
| Other operations | 57,340 | 57,885 | -545 | 60,850 |
| Related business | 77,587 | 82,805 | -5,217 | 85,781 |
| Construction in progress | 69,501 | 66,876 | 2,625 | 66,940 |
| Investments and advances: | 211,780 | 220,956 | -9,175 | 220,475 |
| Investment securities | 12,803 | 15,755 | -2,952 | 14,401 |
| Stocks of subsidiaries | 122,026 | 127,042 | -5,015 | 127,006 |
| Long-term loans | 13,657 | 13,221 | 436 | 11,581 |
| Long-term prepaid expense | 2,451 | 2,805 | -353 | 2,737 |
| Deferred tax assets | 59,122 | 54,882 | 4,240 | 57,841 |
| Other investments and advances | 2,501 | 8,012 | -5,510 | 7,759 |
| Less allowance for doubtful accounts | -782 | -762 | -20 | -852 |
| Total fixed assets | 1,978,853 | 2,011,165 | -32,312 | 2,013,418 |
| Total assets | 2,110,512 | 2,126,893 | -16,381 | 2,120,493 |

| | Millions of yen | | | |
|--|-----------------------|------------------|----------------------------------|-----------------------|
| | September 30, 2004 | March 31, 2004 | Change from the previous year | September 30, 2003 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Current liabilities: | | | | |
| Short-term borrowings | 103,641 | 103,166 | 474 | 81,659 |
| Current portion of long-term debt | 8,976 | 51,026 | -42,050 | 57,126 |
| Current portion of long-term payables for the acquisition of railway properties | 37,745 | 37,723 | 21 | 35,627 |
| Current portion of long-term payables | 1,208 | 1,168 | 40 | 1,168 |
| Accounts payable | 49,446 | 98,599 | -49,152 | 56,812 |
| Accrued expenses | 18,883 | 18,264 | 618 | 19,016 |
| Accrued consumption tax | 3,829 | 6,501 | -2,672 | 6,675 |
| Accrued income tax | 25,244 | 23,268 | 1,976 | 24,072 |
| Railway deposits received | 6,825 | 3,359 | 3,465 | 9,602 |
| Deposits | 11,216 | 11,672 | -456 | 12,235 |
| Prepaid railway fares received | 34,427 | 30,012 | 4,414 | 33,631 |
| Deposits received | 106,150 | 79,630 | 26,519 | 97,693 |
| Advance payments received | 1,407 | 412 | 995 | 1,252 |
| Allowance for bonuses | 29,456 | 30,432 | -976 | 31,242 |
| Reserve for repairs on concrete structures | - | - | - | 504 |
| Reserve for losses on liquidation of businesses | - | 21,210 | -21,210 | - |
| Other current liabilities | 1,999 | 460 | 1,539 | 373 |
| Total current liabilities | 440,457 | 516,909 | -76,451 | 468,695 |
| Long-term liabilities: | | | | |
| Bonds | 220,000 | 210,000 | 10,000 | 215,000 |
| Long-term debt | 225,733 | 198,221 | 27,512 | 199,509 |
| Long-term payables for acquisition of railway properties | 526,946 | 538,197 | -11,251 | 564,585 |
| Long-term payables | 27,051 | 27,675 | -624 | 28,259 |
| Long-term payables for leased railway facilities | - | - | - | 49,807 |
| Retirement allowances for employees | 186,708 | 191,647 | -4,938 | 159,639 |
| Other long-term liabilities | 17,305 | 4,861 | 12,443 | 4,845 |
| Total long-term liabilities | 1,203,744 | 1,170,603 | 33,141 | 1,221,646 |
| Total liabilities | 1,644,202 | 1,687,512 | -43,309 | 1,690,341 |
| Shareholders' equity: | | | | |
| Capital stock | 100,000 | 100,000 | - | 100,000 |
| Capital surplus | 55,000 | 55,000 | - | 55,000 |
| Capital reserve | 55,000 | 55,000 | - | 55,000 |
| Retained earnings: | 308,505 | 280,588 | 27,917 | 272,900 |
| Earned legal surplus | 11,327 | 11,327 | - | 11,327 |
| Voluntary reserves | 217,647 | 193,426 | 24,220 | 193,426 |
| Reserved for advanced depreciation on property | 7,647 | 3,426 | 4,220 | 3,426 |
| Other reserves | 210,000 | 190,000 | 20,000 | 190,000 |
| Unappropriated retained earnings | 79,530 | 75,834 | 3,696 | 68,146 |
| Evaluation differences on other securities | 2,804 | 3,792 | -988 | 2,251 |
| Total shareholders' equity | 466,309 | 439,381 | 26,928 | 430,152 |
| Total liabilities and shareholders' equity | 2,110,512 | 2,126,893 | -16,381 | 2,120,493 |

(Figures less than ¥1 million have been omitted)

| | Millions of yen | | | |
|---|---|---|---|------------------------------|
| | Six months ended September 30, 2004 | Six months ended September 30, 2003 | Change from the previous interim period | Year ended March 31, 2004 |
| Operating revenues: | | | | |
| Transportation | 376,966 | 372,643 | 4,322 | 750,813 |
| Transportation incidentals | 11,373 | 11,324 | 48 | 23,074 |
| Other operations | 9,032 | 9,271 | -239 | 18,536 |
| Miscellaneous | 26,859 | 24,463 | 2,395 | 53,467 |
| | 424,230 | 417,703 | 6,527 | 845,892 |
| Operating expenses: | | | | |
| Personnel costs | 143,368 | 147,343 | -3,974 | 294,508 |
| Non personnel costs | 137,451 | 131,502 | 5,949 | 291,014 |
| Energy costs | 18,424 | 18,459 | -34 | 36,617 |
| Maintenance costs | 54,649 | 52,144 | 2,505 | 121,963 |
| Miscellaneous costs | 64,377 | 60,897 | 3,478 | 132,433 |
| Rental payments | 12,359 | 15,671 | -3,311 | 30,866 |
| Taxes | 21,041 | 20,572 | 468 | 28,259 |
| Depreciation | 46,219 | 46,178 | 41 | 95,767 |
| | 360,440 | 361,267 | -827 | 740,416 |
| Operating income | 63,790 | 56,436 | 7,354 | 105,475 |
| Non operating revenues | 1,206 | 1,044 | 161 | 5,173 |
| Non operating expenses | 20,657 | 22,004 | -1,347 | 45,620 |
| Recurring profit | 44,339 | 35,475 | 8,863 | 65,028 |
| Extraordinary profit | 27,944 | 25,976 | 1,967 | 109,053 |
| Extraordinary loss | 10,576 | 21,382 | -10,806 | 105,559 |
| Income before income taxes | 61,706 | 40,069 | 21,637 | 68,523 |
| Income taxes-current | 23,830 | 23,436 | 394 | 41,007 |
| Income taxes-deferred | 1,858 | -7,853 | 9,711 | -9,658 |
| Net income | 36,018 | 24,486 | 11,531 | 37,174 |
| Retained earnings carried forward from the previous period | 43,512 | 43,660 | -147 | 43,660 |
| Interim dividends | - | - | - | 5,000 |
| Unappropriated retained earnings | 79,530 | 68,146 | 11,384 | 75,834 |

1. Forecasts for fiscal 2005 (Consolidated Basis)

| | Forecast for fiscal 2005 | Fiscal 2004 | Change from the previous year |
|--------------------|--------------------------|-----------------|-------------------------------|
| | Billions of yen | Billions of yen | Billions of yen |
| Operating revenues | 1,222.9 | 1,215.7 | 7.1 |
| Operating income | 131.3 | 126.9 | 4.3 |
| Recurring profit | 93.5 | 85.8 | 7.6 |
| Net income | 57.2 | 47.0 | 10.1 |

2. Earnings forecasts for fiscal 2005 by segment (Consolidated Basis)

| | Transportation | Sales of goods and food services | Real estate | Other |
|--------------------|-----------------|----------------------------------|-----------------|-----------------|
| | Billions of yen | Billions of yen | Billions of yen | Billions of yen |
| Operating revenues | 847.4 | 231.3 | 70.6 | 260.3 |
| Operating income | 99.3 | 4.8 | 18.0 | 10.1 |

3. Forecasts for fiscal 2005 (Non-Consolidated Basis)

| | Forecast for fiscal 2005 | Fiscal 2004 | Change from the previous year |
|--|--------------------------|------------------|-------------------------------|
| | Billions of yen | Billions of yen | Billions of yen |
| Operating revenues (Transportation) | 848.3 (753.3) | 845.8 (750.8) | 2.4 2.4 |
| Operating income | 110.0 | 105.4 | 4.5 |
| Recurring profit | 74.0 | 65.0 | 8.9 |
| Net income | 48.0 | 37.1 | 10.8 |

4. Other detailed data

(Number of persons, Billions of yen, %)

| | Fiscal 2005 interim period | | Fiscal 2004 interim period | | Forecast for fiscal 2005 | |
|--|----------------------------|------------------------|----------------------------|------------------------|--------------------------|------------------------|
| | Consolidated Basis | Non-Consolidated Basis | Consolidated Basis | Non-Consolidated Basis | Consolidated Basis | Non-Consolidated Basis |
| Employees at end of period (Includes staff seconded to other companies) | 43,977 | 27,200 (31,933) | 45,207 | 28,331 (33,673) | - | - |
| Retirement payment costs | 30.7 | 28.1 | 30.0 | 27.4 | - | 56.2 |
| Number of employees entitled to retirement payment | 1,761 | 1,140 | 1,787 | 1,187 | - | 229.3 |
| Maintenance costs | - | 54.6 | - | 52.1 | - | 127.5 |
| Depreciation | 55.4 | 46.2 | 55.5 | 46.1 | 115.2 | 95.7 |
| Financial expenses, net | -21.3 | -20.0 | -22.8 | -21.5 | -42.5 | -40.1 |
| Interest and dividend income | 0.2 | 0.4 | 0.3 | 0.4 | 0.3 | 0.5 |
| Interest expenses | -21.6 | -20.5 | -23.1 | -21.9 | -42.8 | -40.7 |
| Capital expenditures | 41.6 | 34.7 | 63.7 | 54.8 | 137.7 | 112.6 |
| Own funds | 33.4 | 26.5 | 56.8 | 48.0 | 137.7 | 112.6 |
| Long-term debt and payables | 1,118.5 | 1,047.6 | 1,182.7 | 1,101.2 | 1,095.0 | 1,025.0 |

Notes: 1. Figures less than ¥100 million have been omitted.

2. The number of employees on a consolidated and non-consolidated basis refers to regular staff only.

5. Comparison with numeric targets of Medium-Term Management

| | | | September 30, 2004 | Forecast for fiscal 2005 | Medium-Term Management Targets (Fiscal 2006) |
|---|--------------------|-----------------|-----------------------|-----------------------------|---|
| Operating income ROA | (consolidated) | % | 3.0 | 5.4 | 5.4 |
| Operating income | (consolidated) | Billions of yen | 71.8 | 131.3 | 130.0 |
| Net income | (consolidated) | Billions of yen | 40.7 | 57.2 | 50.0 |
| Long-term debt | (consolidated) | Billions of yen | 1,118.5 | 1,095.0 | 1,100.0 |
| Long-term debt | (non-consolidated) | Billions of yen | 1,047.6 | 1,025.0 | 1,000.0 |
| Head count at the start of the fiscal year | (non-consolidated) | People | 32,854 | | 32,000 |