(Translation)

To Our Shareholders:

Firstly, we should like to extend our heartfelt gratitude for your continued support of our business operations.

We also offer our heartfelt condolences to all the victims of the Kumamoto Earthquake, which struck in April 2016, along with our sincere wishes for the earliest recovery.

West Japan Railway Group very seriously takes its responsibility for the train accident on the Fukuchiyama Line we caused on April 25, 2005 and the gravity of its consequences, and all officers and employees are making a group-wide effort to establish a safe, secure and trusted rail service. To continue to take the accident seriously and build a safer railway system, I, as well as all other officers and employees, am determined to make greater efforts in conducting day-to-day operations.

In March 2013, we formulated a "JR-West Group Medium-Term Management Plan 2017" and its central core "Safety Think-and-Act Plan 2017", which have continued to place "Three Pillars of Management", comprising "measures to have ourselves accepted as acting with the best intentions by the victims of the train accident", "measures to enhance safety" and "furthering of reform", as our high-priority issues for management and have since exerted our efforts to implement, as the Priority Strategies, the "Three Basic Strategies" and the "Four Business Strategies". In April 2015, as a review of the last two years, and based on the changes in the business environment, we updated the "JR-West Group Medium-Term Management Plan 2017" and made revisions and additions to the measures to be implemented to achieve our objectives.

We have enjoyed a great number of usage for the Hokuriku Shinkansen, which opened in the segment between Nagano and Kanazawa in March 2015, and the number of passengers since its opening reached 10 million in April 2016. We have also enjoyed general popularity of the Sanyo Shinkansen, which celebrated the 40th anniversary of the opening of its entire line, and "LUCUA osaka", which opened in April 2015, and other shopping centers. We will move forward with measures by taking advantage of the effects of these projects and also focus on improving our products and services in the light of the circumstances where senior customers and inbound visitors for sightseeing are increasing.

While a population decline, an increase in the number of natural disasters of extreme severity and competition from other modes of transport, among others, are anticipated in the future, we will continue to make a concerted effort as a corporate group to implement various measures under the Medium-Term Management Plan and take the next step for a new era to enhance our corporate value over the medium to long term.

Hence, we cordially seek the continued understanding and further support of our shareholders.

June 2016

Seiji Manabe
President and Representative Director

(Securities Code: 9021)
June 1, 2016

To the Shareholders:

NOTICE OF THE 29TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Please take notice that the 29th Ordinary General Meeting of Shareholders of the Company will be held as described below and you are cordially requested to attend the meeting.

Since voting rights can be exercised in writing or via the Internet or other methods even if you are not present at the meeting, please review the accompanying "Reference Document for the General Meeting of Shareholders" and exercise your voting rights by June 21 (Tuesday), 2016.

Yours very truly,

Seiji Manabe
President and Representative Director

West Japan Railway Company
4-24, Shibata 2-chome,
Kita-ku, Osaka, Japan

Description

1. Date and hour of the meeting:

   June 22 (Wednesday), 2016, at 10:00 a.m.

2. Place of the meeting:

   RIHGA Royal Hotel
   3-68, Nakanoshima 5-chome, Kita-ku, Osaka, Japan

3. Matters forming the objects of the meeting:

   Matters to be reported:

   1. Report on the business report, the consolidated financial statements and the financial statements for the 29th fiscal year

   2. Report on the results of audit of the consolidated financial statements for the 29th fiscal year by the account auditors and the Board of Corporate Auditors

   Matters to be resolved:

   Proposition No. 1: Appropriation of retained earnings

   Proposition No. 2: Election of 14 Directors

4. Other matters determined upon convening the General Meeting of Shareholders:

(1) Your voting rights can be exercised by proxy, who must be a shareholder (being one (1) person) of the Company entitled to vote at this General Meeting of Shareholders.

(2) If voting rights are exercised both in writing and via the Internet or other methods, the voting rights exercised via the Internet or other methods shall be treated as effective.

(3) If voting rights are exercised more than once via the Internet or other methods, the voting rights last exercised shall be treated as effective.

Information on the matters to be posted on our Internet website

(1) The business report, the consolidated financial statements, the financial statements and the auditors' reports required to be attached to the Notice of the General Meeting of Shareholders are as set forth on page 19 to page 55 herein. However, the systems required to secure the properness of business activities, the notes to consolidated financial statements and the notes to non-consolidated financial statements are posted on our Internet website (http://www.westjr.co.jp/company/ir/stock/meeting/)* in accordance as provided for in laws and ordinances and the Articles of Incorporation of the Company.

The business report that has been audited by the Corporate Auditors and the consolidated financial statements and financial statements that have been audited by the account auditors and the Corporate Auditors are comprised of the systems required to secure the properness of business activities, the notes to consolidated financial statements and the notes to non-consolidated financial statements posted on the abovementioned website as well as the documents included in this Notice of the General Meeting of Shareholders.

(2) In the event of the revision of any matter in the Reference Document for the General Meeting of Shareholders, the business report, the consolidated financial statements and the financial statements, it will be posted on our Internet website (http://www.westjr.co.jp/company/ir/stock/meeting/).*

(*) For your reference, the English translation of the matters presented on the Japanese website above will be provided on the Company's English website (http://www.westjr.co.jp/global/en/ir/news/2016/).

Information on the exercise of voting rights

Before exercising your voting rights, please refer to the Reference Document for the General Meeting of Shareholders (on page 6 to page 17).

The following three methods are available for exercising voting rights:

(i)	Exercise of voting rights by attending the meeting	Please present the enclosed voting form to a receptionist at the place of the meeting.
(ii)	Exercise of voting rights in writing by mail Must reach us no later than June 21 (Tuesday), 2016	Please indicate your votes for or against each of the propositions in the enclosed voting form and return the form by mail.
(iii)	Exercise of voting rights via the Internet Will be acceptable no later than June 21 (Tuesday), 2016	Please refer to the "Notice on Exercise of Voting Rights by Electronic Methods (including the Internet)" on the next page before exercising your voting rights via the Internet in advance.

Platform for electronic exercise of voting rights for institutional investors:

"ICJ Platform", a platform for electronic exercise of voting rights for institutional investors operated by ICJ Inc., will be available to institutional investors who have applied for the use of the platform in advance.

Information on Exercise of Voting Rights via the Internet

Any exercise of voting rights via the Internet will be possible only on the website for the exercise of voting rights listed below:

Website for the exercise of voting rights: http://www.web54.net

For the use of the website for the exercise of voting rights:

1. The "code for the exercise of voting rights" and the "password" are printed in the enclosed voting form.

2. Any exercise of voting rights via the Internet will be acceptable no later than the day immediately preceding the date of this Ordinary General Meeting of Shareholders, or June 21 (Tuesday), 2016. However, for the expedient counting of the voting rights exercised, it would be appreciated if you could exercise your voting rights early.

3. Fees payable to Internet service providers and telecommunication carriers in accessing the website for the exercise of voting rights must be borne by the shareholders.

For further information on the exercise of voting rights via the Internet:

If you have any questions about the exercise of voting rights via the Internet, please contact:

Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Business Planning Dept.
Web Support Dedicated Phone No: 0120-652-031 (toll-free) (9:00 a.m. to 9:00 p.m.)

(Request for forms, etc. and other inquiries: 0120-782-031 (toll-free) (9:00 a.m. to 5:00 p.m. on weekdays))

Reference Document for the General Meeting of Shareholders

Proposition and Information

Proposition No. 1: Appropriation of retained earnings

The Company recognizes it important to distribute profits to its shareholders on a long-term and constant basis and will, subject to the situation of achievement of the targets set in the "JR-West Group Medium-Term Management Plan 2017" updated in April 2015, aim to attain an approximately 3% "rate of total distribution on net assets"* on a consolidated basis for the fiscal year ending March 31, 2018.

By taking into consideration various factors, including the performance for the fiscal year under review and its business projections in the future, management proposes to appropriate retained earnings for the fiscal year under review, as set forth below:

1. Matters concerning year-end dividends:

With regard to dividends for the fiscal year under review, management has intended to pay an annual dividend of ¥135 per share. As an interim dividend of ¥65 per share was paid in December 2015, management proposes to pay a year-end dividend of ¥70 per share.

(1) Kind of property to be distributed as dividends:

Cash

(2) Matter concerning the allocation of the property to be distributed to the shareholders as dividends and the aggregate amount thereof:

¥70 per share of common stock of the Company

¥13,561,402,890 in the aggregate

(3) Date on which the distribution of retained earnings shall become effective:

June 23, 2016

(*) Rate of total distribution on net assets (%) = (aggregate amount of dividends + total amount of payments for the acquisition of its own shares) / consolidated net assets × 100

2. Other matters concerning the appropriation of retained earnings:

To be prepared for unforeseeable changes in the business environments in the future, management proposes to provide for ¥20 billion as general reserve.

(1) Item of retained earnings to be increased and the amount thereof:

General reserve:	¥20,000,000,000

(2) Item of retained earnings to be decreased and the amount thereof:

Retained earnings carried forward:	¥20,000,000,000

Proposition No. 2: Election of 14 Directors

The term of office of the Directors, 14 in all, will expire at the close of this Ordinary General Meeting of Shareholders. Hence, it is hereby proposed that 14 Directors be elected.

The candidates for Director are as follows:

Candidate No.	Name	Position and assignment in the Company
1	[Reelection] Seiji Manabe	President and Representative Director In charge of responses to the victims of the derailment accident on the Fukuchiyama Line of the Company
2	[Reelection] Tadashi Ishikawa Independent officer Candidate for external Director	External Director
3	[Reelection] Yumiko Sato Independent officer Candidate for external Director	External Director
4	[Reelection] Yuzo Murayama Independent officer Candidate for external Director	External Director
5	[Reelection] Norihiko Saito Independent officer Candidate for external Director	External Director
6	[Reelection] Hideo Miyahara Independent officer Candidate for external Director	External Director
7	[Reelection] Takayuki Sasaki	Chairman and Director

Candidate No.	Name	Position and assignment in the Company
8	[Reelection] Tatsuo Kijima	Vice President and Representative Director Provides general assistance to President. In charge of furthering of reform, Supporting Headquarters for the Victims of the Derailment Accident on the Fukuchiyama Line of the Company, Corporate Planning Headquarters, Secretary Office, Corporate Communications Department, Personnel Department and Tokyo Headquarters
9	[Reelection] Norihiko Yoshie	Director In charge of innovation of railway technology, and Technical Research & Development Department and Shinkansen Supervising Department, Railway Operations Headquarters
10	[Reelection] Kazuaki Hasegawa	Director In charge of Kansai Urban Area Regional Head Office
11	[Reelection] Nobutoshi Nikaido	Director In charge of Deliberation Department of the Derailment Accident on the Fukuchiyama Line, Inquiry & Auditing Department, Corporate Ethics and Risk Management Department, General Affairs Department and Finance Department
12	[New election] Fumito Ogata	Senior Executive Officer Senior General Manager of Corporate Planning Headquarters and General Manager of Tokyo Headquarters
13	[New election] Yoshihisa Hirano	Executive Officer General Manager of Railway System Planning Department, Railway Operations Headquarters
14	[New election] Shinichi Handa	Executive Officer, General Manager of Track & Structures Department, Railway Operations Headquarters

Candidate No.	Name (Date of birth)	Brief history, position, assignment and important concurrent office	Number of shares of the Company held by Candidate
1	Seiji Manabe (October 21, 1953) [Reelection] Attended 12 of the 12 sessions of the Board of Directors	April 1976 Joined JNR Mar. 1985 Deputy Manager, Payroll Section, Staff Administration Department of JNR April 1987 Deputy Manager, Labor Section, Personnel Department of the Company Oct. 2001 General Manager, Corporate Planning Headquarters of the Company June 2003 Executive Officer; General Manager, Finance Department of the Company June 2005 Senior Executive Officer; Deputy Senior General Manager, Corporate Planning Headquarters of the Company June 2006 Director and Senior Executive Officer; Senior General Manager, Corporate Planning Headquarters of the Company June 2009 Vice President, Representative Director and Executive Officer; Senior General Manager, Tokyo Headquarters of the Company Oct. 2009 Vice President, Representative Director and Executive Officer of the Company May 2012 President, Representative Director and Executive Officer of the Company (present post)	10,000 shares
2	Tadashi Ishikawa (August 24, 1943) [Reelection] Independent officer Candidate for external Director Attended 12 of the 12 sessions of the Board of Directors	April 1973 Registered as an attorney April 1973 Joined Daijiro Kikkawa Law Office Aug. 1977 Joined Weil, Gotshal & Manges LLP (New York) Aug. 1978 Rejoined Daijiro Kikkawa Law Office April 1980 Established Ishikawa Law Office (Current Oh-Ebashi LPC & Partners) Oct. 1998 Part-time Lecturer at the Kobe University Graduate School of Law Aug. 2002 Representative Partner, Legal Professional Corporation Oh-Ebashi LPC & Partners April 2004 Professor of Kobe University School of Law June 2006 Director of the Company (present post) Aug. 2008 Partner, Oh-Ebashi LPC & Partners Sept. 2012 Special Counsel, Oh-Ebashi LPC & Partners (present post) <Important concurrent office> - Special Counsel, Oh-Ebashi LPC & Partners	0 share
3	Yumiko Sato (September 20, 1951) [Reelection]	April 1975 Joined Suntory Co., Ltd. Mar. 1998 General Manager, Research Institute on Continuity and Change in Life, Suntory Co., Ltd. Mar. 2005 General Manager, Next Generation Institute, Suntory Co., Ltd.	1,300 shares

Candidate No.	Name (Date of birth)	Brief history, position, assignment and important concurrent office	Number of shares of the Company held by Candidate
	Independent officer Candidate for external Director Attended 12 of the 12 sessions of the Board of Directors	April 2008 Senior Research Fellow, Suntory Foundation (incorporated foundation) May 2010 Senior Research Fellow, Suntory Foundation (public interest incorporated foundation) June 2010 Director of the Company (present post) Oct. 2013 Special Professor, Institute for Creating Local Culture, Otemon Gakuin University May 2014 Specially-appointed Professor, Otemon Gakuin University Director, Mature Society Research Institute, Otemon Gakuin Educational Foundation (present post) Mar. 2015 Professor, Faculty of Regional Development Studies, Otemon Gakuin University (present post) Member of the Board of Governors, Japan Broadcasting Corporation (present post) <Important concurrent office> - Professor, Faculty of Regional Development Studies, Otemon Gakuin University - Member of the Board of Governors, Japan Broadcasting Corporation	
4	Yuzo Murayama (February 21, 1953) [Reelection] Independent officer Candidate for external Director Attended 12 of the 12 sessions of the Board of Directors	April 1982 Joined Nomura Research Institute, Ltd. June 1985 Deputy Chief Research Fellow, Economic Investigation Division, Nomura Research Institute, Ltd. July 1985 London Branch, Nomura Research Institute, Ltd. April 1989 Full-time Lecturer, Department of English and American Languages, Kansai Gaidai University Oct. 1993 Assistant Professor, American Studies, Department of Area Studies, Osaka University of Foreign Studies Jan. 2001 Professor, Osaka University of Foreign Studies April 2004 Professor, Doshisha Business School April 2009 Professor and Dean, Doshisha Business School June 2010 Director of the Company (present post) April 2011 Professor, Doshisha Business School (present post) April 2014 Vice President, Doshisha University <Important concurrent office> - Professor, Doshisha Business School	1,500 shares
5	Norihiko Saito	April 1970 Joined The Kansai Electric Power Company, Incorporated	2,800 shares

Candidate No.	Name (Date of birth)	Brief history, position, assignment and important concurrent office	Number of shares of the Company held by Candidate
	(February 11, 1946) [Reelection] Independent officer Candidate for external Director Attended 12 of the 12 sessions of the Board of Directors	June 1997 Assistant Manager, The Kansai Electric Power Company, Incorporated June 1999 Manager, The Kansai Electric Power Company, Incorporated June 2001 Director, The Kansai Electric Power Company, Incorporated June 2003 Managing Director, The Kansai Electric Power Company, Incorporated June 2005 Vice President and Representative Director, The Kansai Electric Power Company, Incorporated June 2007 Statutory Auditor, Kinden Corporation June 2011 Retired as Vice President and Representative Director, The Kansai Electric Power Company, Incorporated June 2011 Chairman, Kinden Corporation (present post) June 2012 Director of the Company (present post) <Important concurrent office> - Chairman, Kinden Corporation	
6	Hideo Miyahara (June 21, 1943) [Reelection] Independent officer Candidate for external Director Attended 11 of the 12 sessions of the Board of Directors	Jan. 1973 Doctor of engineering, Osaka University April 1973 Assistant, Kyoto University April 1980 Associate Professor, School of Engineering Science, Osaka University Oct. 1989 Professor, School of Engineering Science, Osaka University April 1998 Dean, Graduate School of Engineering Science and School of Engineering Science, Osaka University Aug. 2003 President, Osaka University Sept. 2007 President, National Institute of Information and Communications Technology April 2013 Specially-appointed Professor, Graduate School of Information Science and Technology, Osaka University June 2013 Director of the Company (present post) April 2016 Visiting Professor, Graduate School of Information Science and Technology, Osaka University (present post) <Important concurrent offices> - Research Director and Member of the Board, Asia Pacific Institute of Research - Representative Director, Knowledge Capital Association - External Director, Osaka Gas Co., Ltd.	100 shares

Candidate No.	Name (Date of birth)	Brief history, position, assignment and important concurrent office	Number of shares of the Company held by Candidate
7	Takayuki Sasaki (August 24, 1946) [Reelection] Attended 12 of the 12 sessions of the Board of Directors	April 1970 Joined Japanese National Railways ("JNR") Mar. 1987 General Manager, General Affairs Department, Osaka Railway Operations Division of JNR April 1987 General Manager, General Affairs Department, Kinki Area Operations Headquarters of the Company June 1994 General Manager, Finance Department of the Company June 1995 Director; General Manager, Finance Department of the Company June 1997 Director; Deputy Senior General Manager, Railway Operations Headquarters; General Manager, Marketing Department, Railway Operations Headquarters; General Manager, Railway Regions Investigation Team, Railway Operations Headquarters of the Company June 1999 Executive Officer; Deputy Senior General Manager of Railway Operations Headquarters; General Manager, Marketing Department, Railway Operations Headquarters of the Company June 2000 Full-time Corporate Auditor of the Company June 2002 President and Representative Director of West Japan Railway Daily Service Net Company June 2007 Vice President, Representative Director and Executive Officer of the Company July 2007 Vice President, Representative Director and Executive Officer; Senior General Manager, IT Development Headquarters of the Company June 2009 Vice Chairman, Representative Director and Executive Officer; Senior General Manager, IT Development Headquarters of the Company Aug. 2009 President, Representative Director and Executive Officer of the Company May 2012 Chairman and Director of the Company (present post)	11,200 shares

Candidate No.	Name (Date of birth)	Brief history, position, assignment and important concurrent office	Number of shares of the Company held by Candidate
8	Tatsuo Kijima (September 22, 1954) [Reelection] Attended 12 of the 12 sessions of the Board of Directors	April 1978 Joined JNR Feb. 1986 Manager, Personnel Section, Administration Department, Shinkansen Division of JNR April 1987 Deputy Manager, Labor Section, Personnel Department of the Company June 2002 General Manager, Corporate Communications Department of the Company June 2006 Executive Officer; General Manager, Personnel Department of the Company June 2009 Senior Executive Officer; Senior General Manager, Corporate Planning Headquarters of the Company Oct. 2009 Senior Executive Officer; Senior General Manager, Corporate Planning Headquarters; Senior General Manager, Tokyo Headquarters of the Company June 2010 Director and Senior Executive Officer; Senior General Manager, Corporate Planning Headquarters; Senior General Manager, Tokyo Headquarters of the Company June 2012 Vice President, Representative Director and Executive Officer of the Company Nov. 2012 Vice President, Representative Director and Executive Officer; Senior General Manager, Supporting Headquarters for the Victims of the Derailment Accident on the Fukuchiyama Line of the Company (present post)	4,800 shares
9	Norihiko Yoshie (February 3, 1955) [Reelection] Attended 12 of the 12 sessions of the Board of Directors	April 1979 Joined JNR Feb. 1987 Assistant Manager, Passenger-Carrying Car Dept., Takatori Factory of JNR April 1987 Assistant Manager, Takatori Factory, Kinki Area Operations Headquarters of the Company July 2000 Deputy Manager, Rolling Stock Department, Railway Operations Headquarters of the Company Oct. 2001 Manager, Rolling Stock Department, Railway Operations Headquarters of the Company Sept. 2005 Deputy General Manager, Rolling Stock Department, Railway Operations Headquarters of the Company June 2006 General Manager, Rolling Stock Department, Railway Operations Headquarters of the Company	6,300 shares

Candidate No.	Name (Date of birth)	Brief history, position, assignment and important concurrent office		Number of shares of the Company held by Candidate
		June 2009	Technical Director and General Manager, Technical Research & Development Department, Railway Operations Headquarters of the Company	
		June 2013	Director and Senior Executive Officer; Deputy Senior General Manager, Railway Operations Headquarters; General Manager, Shinkansen Supervising Department, Railway Operations Headquarters of the Company (present post)	
10	Kazuaki Hasegawa (May 1, 1957) [Reelection] Attended 12 of the 12 sessions of the Board of Directors	April 1981	Joined JNR	8,200 shares
		Feb. 1987	Secretariat Section, President's Office of JNR	
		April 1987	Secretariat Section, General Affairs Department of the Company	
		June 2005	General Manager, Corporate Planning Headquarters of the Company	
		June 2006	Deputy Senior General Manager, Corporate Planning Headquarters of the Company	
		June 2008	Executive Officer; General Manager, Okayama Branch of the Company	
		June 2012	Director and Senior Executive Officer, Senior General Manager, Kansai Urban Area Regional Head Office of the Company (present post)	
11	Nobutoshi Nikaido (September 6, 1957) [Reelection] Attended 12 of the 12 sessions of the Board of Directors	April 1980	Joined JNR	4,700 shares
		Feb. 1986	Deputy Manager, Accounts Section, Accounting Department of JNR	
		April 1987	Deputy Manager, Account Division, Finance Department of the Company	
		June 2006	General Manager, Group Management Promotion Office, Corporate Planning Headquarters of the Company	
		June 2008	On loan to West Japan Railway Daily Service Net Company	
			Managing Director, West Japan Railway Daily Service Net Company	
		June 2010	Executive Officer; General Manager, Kyoto Branch of the Company	
		Dec. 2010	Executive Officer; Deputy Senior General Manager, Kansai Urban Area Regional Head Office; General Manager, Kyoto Branch, Kansai Urban Area Regional Head Office of the Company	
		June 2012	Senior Executive Officer; Senior General Manager, Corporate Planning Headquarters; Senior General Manager, Tokyo Headquarters of the Company	

Candidate No.	Name (Date of birth)	Brief history, position, assignment and important concurrent office		Number of shares of the Company held by Candidate
		June 2014	Director and Senior Executive Officer; General Manager, Deliberation Department of the Derailment Accident on the Fukuchiyama Line; General Manager, General Affairs Department of the Company; General Manager, Finance Department of the Company	
		June 2015	Director and Senior Executive Officer; General Manager, Deliberation Department of the Derailment Accident on the Fukuchiyama Line; General Manager, General Affairs Department of the Company (present post)	
12	Fumito Ogata (March 16, 1958) [New election]	April 1981	Joined JNR	4,700 shares
		Mar. 1985	Budget Section, Accounting Department of JNR	
		April 1987	Section Manager, Himeji Track Maintenance Section, Kinki Area Operations Headquarters of the Company	
		June 2008	Deputy Senior General Manager, Corporate Planning Headquarters of the Company	
		Dec. 2009	Executive Officer; General Manager, Corporate Ethics & Risk Management Department of the Company	
		April 2011	Executive Officer; General Manager, Corporate Ethics & Risk Management Department; General Manager, Inquiry & Auditing Department of the Company	
		June 2011	Executive Officer; General Manager, Corporate Ethics & Risk Management Department of the Company	
		June 2012	Executive Officer; General Manager, Corporate Communications Department of the Company	
		June 2014	Senior Executive Officer; Senior General Manager, Corporate Planning Headquarters; Senior General Manager, Tokyo Headquarters of the Company (present post)	
13	Yoshihisa Hirano (March 28, 1958) [New election]	April 1982	Joined JNR	4,100 shares
		Feb. 1987	General Manager, Okayama Signal and Communication Branch-station, Okayama Electric Station, Shinkansen Division of JNR	
		April 1987	General Manager, Okayama Signal and Communication Branch-station, Okayama Electric Station, Shinkansen Operations Headquarters of the Company	

Candidate No.	Name (Date of birth)	Brief history, position, assignment and important concurrent office		Number of shares of the Company held by Candidate
		Dec. 2005	Deputy General Manager, Electrical Engineering Department, Railway Operations Headquarters of the Company	
		July 2008	General Manager, Transport Security Systems Office, Railway Operations Headquarters of the Company	
		June 2012	Technology Director; General Manager, Transport Security Systems Office, Railway Operations Headquarters of the Company	
		June 2014	Executive Officer; General Manager, Railway System Planning Department, Railway Operations Headquarters of the Company (present post)	
14	Shinichi Handa (November 14, 1959) [New election]	April 1982	Joined JNR	3,300 shares
		Feb. 1987	Track Maintenance Section, Track & Structures Department, Osaka Railway Operations Division of JNR	
		April 1987	Track Maintenance Section, Track & Structures Department, Kinki Area Operations Headquarters of the Company	
		Dec. 2009	Deputy General Manager, Secretary Office of the Company	
		Dec. 2010	Deputy General Manager, Corporate Planning Headquarters of the Company	
		June 2011	General Manager, Inquiry & Auditing Department of the Company	
		June 2012	Executive Officer; General Manager, Wakayama Branch of the Company	
		June 2014	Executive Officer; General Manager, Track & Structures Department, Railway Operations Headquarters of the Company (present post)	

(Notes) 1. Each of the Candidates has no special interest in the Company.

2. Candidates Tadashi Ishikawa, Yumiko Sato, Yuzo Murayama, Norihiko Saito and Hideo Miyahara are candidates for external director as provided for in Article 2, paragraph 3, item 7 of the Regulations to Enforce the Companies Act of Japan. Each Candidate is an external Director currently in office. The years of service of Mr. Tadashi Ishikawa, Ms. Yumiko Sato, Messrs. Yuzo Murayama, Norihiko Saito and Hideo Miyahara as external Directors will be ten years, six years, six years, four years and three years, respectively, at the close of this General Meeting of Shareholders.

3. The Company has registered Candidates Tadashi Ishikawa, Yumiko Sato, Yuzo Murayama, Norihiko Saito and Hideo Miyahara, each of whom has satisfied its "Criteria for Independence of External Officers" and the requirements for independent officers specified by the Tokyo Stock Exchange, as independent officers in accordance with the rules of each financial instruments exchange on which its shares are listed.

Candidate Hideo Miyahara belongs to National Universities Corporation Osaka University, to which the Company has made donations. However, those donations were research grants in the sector of medicine and have been commenced since he retired as the president of the university in August 2007. Therefore, management believes that such fact will have no effect on his independence.

4. Management proposes to elect Candidate Tadashi Ishikawa as external Director to have his accumulated experience and expertise as an attorney at law reflected in the management of the Company. He has not been engaged in corporate management. However, for the aforementioned reason, management believes that he will properly perform the duties of an external Director.

   Management proposes to elect each of Candidates Yumiko Sato, Yuzo Murayama and Hideo Miyahara as external Director to have his/her accumulated experience and expertise as an academic expert reflected in the management of the Company. Neither of them has been engaged in corporate management. However, for the aforementioned reason, management believes that each of them will properly perform the duties of an external Director. Management proposes to elect Candidate Norihiko Saito as external Director to have his accumulated experience and expertise as a management executive reflected in the management of the Company.

5. Each of the Candidates for Director, excluding the Candidates for external Director, has accumulated business experience as described in the column of "Brief history, position, assignment and important concurrent office". The Company, by comprehensively taking into consideration their respective knowledge and expertise base on such experience, objective abilities to make decisions on management and organization administration abilities from the Group-wide perspective, among others, has determined that each of them will properly perform the duties of a Director and selected them as Candidates for Director.

6. The Company has entered into an agreement with each of Candidates for external Director Tadashi Ishikawa, Yumiko Sato, Yuzo Murayama, Norihiko Saito and Hideo Miyahara to limit his/her liabilities as provided for in Article 423, paragraph 1 of the Companies Act of Japan, to the amount as provided for in laws or ordinances.

7. While Candidate Norihiko Saito was serving Kinden Corporation as Representative Director, with regard to a transaction relating electric power transmission work ordered by The Kansai Electric Power Company, Incorporated, Kinden Corporation was subjected to a cease and desist order and an order for payment of surcharge by the Fair Trade Commission on January 31, 2014 because it was found to have violated Article 3 (Prohibition of Unreasonable Restraint of Trades) of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (or Antimonopoly Act) of Japan.

8. Candidate Norihiko Saito is expected to retire as Chairman of Kinden Corporation and assume the office of Advisor as of the date of its ordinary general meeting of shareholders to be held in June 2016. He is also expected to assume the office of external Director of The Kinki Sharyo Co., Ltd. as of the date of its ordinary general meeting of shareholders to be held in June 2016.

9. Candidate Takayuki Sasaki is expected to assume the office of external Director of Osaka Gas Co., Ltd., Incorporated as of the date of its ordinary general meeting of shareholders to be held in June 2016.

<For reference> Criteria for Independence of External Officers

The Board of Directors of the Company has established a criterial for independence to invite external officers who shall be able to perform effective monitoring and supervising activities from an objective perspective, independent of the Company.

1. Persons affiliated with the Group:

(1) Such officer shall not be, or shall have not been, any executive (which shall mean an executive director, operating officer, executive officer and other similar employee; the same applies hereinafter) of the Company or any of its subsidiaries (the "Group Companies"), for the current fiscal year or any of the previous ten fiscal years.

(2) Any relative of such officer in second or less degree shall not be, or shall have not been, any executive of any of the Group Companies, for the current fiscal year or any of the previous ten fiscal years.

2. Persons affiliated with the major clients:

The transaction amount of such major client with the Company shall be, or shall have been, less than an average of 2% of consolidated net sales (in case of borrowings, the amount of consolidated total assets) of the Company or the client, for the current fiscal year or any of the previous three fiscal years (if the client is a body corporate, the person affiliated with the client shall not be, or shall have not been, any executive of the client, for the current fiscal year or any of the previous three fiscal years).

3. Legal professionals, etc.:

The fees of such professional, excluding remuneration as an officer, received from the Company shall not be, or shall have not been, more than an annual average of ¥10 million (if the professional belongs to a body corporate, the fees shall be, or shall have been, less than 2% of consolidated net sales of the client), for the current fiscal year or any of the previous three fiscal years.

4. Other:

(1) Such officer shall not be, or shall not have been, any director or other executive of any entity to which the Company has made donations in the amount of more than an annual average of ¥10 million, for the current fiscal year or for the previous three fiscal years.

(2) Any officer shall not be, or shall have not been, any major shareholder (whose shareholding ratio shall be 10% or more of the total voting rights) of the Company, for the current fiscal year or any of the previous five fiscal years (if the major shareholder is a body corporate, such officer shall not be, or shall have not been, any executive of the body corporate, for the current fiscal year or any of the previous five fiscal years).

(3) Such officer shall have, or shall have had, no material interest in any of the Group Companies, for the current fiscal year or any of the previous three fiscal years.

DOCUMENTS ATTACHED TO THE NOTICE OF THE 29TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

BUSINESS REPORT (From April 1, 2015 to March 31, 2016)

1. Matters concerning the situations of West Japan Railway Group (the "Group")

(1) Developments and results of business activities

(i) General developments:

On April 25, 2005, the Company caused an extremely serious accident when one of its trains derailed between Tsukaguchi and Amagasaki stations on the Fukuchiyama Line, resulting in 106 fatalities and more than 500 injuries of passengers. Since the accident, the Company has exerted its full effort with regard to its three pillars of management, specifically "Measures to have ourselves accepted as acting with the best of intentions by the victims of the train accident," "Measures to enhance safety," and "Furthering of reform."

In April 2015, the Company conducted a memorial service for the victims of the Fukuchiyama Line accident and in November, held explanatory meetings regarding the proposed preservation of the accident site. We will continue to make concerted efforts for all persons affected by the accident.

The Group formulated the "JR-West Group Medium-Term Management Plan 2017" and its core component, the "Safety Think-and-Act Plan 2017," in March 2013. We designated the five years to the fiscal year ending March 31, 2018 as a "period for contributing to the establishment of a foundation for decisive management," and have been implementing the "Three Basic Strategies" and "Four Business Strategies" as our strategic priorities. In April 2015, we updated the "JR-West Group Medium-Term Management Plan 2017" in accordance with our reflections on the first two years and changes in the operating environment, revising and adding measures to accomplish our objectives.

During the fiscal year under review, transportation revenues rose amid the moderate economic recovery, due primarily to increased use of the Hokuriku Shinkansen with the opening of the Nagano-Kanazawa segment in March 2015, and the Sanyo Shinkansen, which marked the 40th anniversary of its start of operations, mainly among seniors and inbound visitors for sightseeing. Revenue also rose in the non-transportation areas, the Retail Business and Real Estate Business segments, on greater use by customers of our new commercial facilities opened at our major stations.

As a result, on a consolidated basis, operating revenues for the fiscal year under review (April 1, 2015 to March 31, 2016) rose 7.5% from the previous fiscal year to ¥1,451.3 billion. Operating income increased 29.9% from a year earlier to ¥181.5 billion, while recurring profit rose 33.0% to ¥162.2 billion, and profit attributable to owners of parent rose 28.7% to ¥85.8 billion.

Despite positive performance, the operating environment for the Group remains harsh

as a result of such factors as a population decline, competition from other modes of transportation, the need to address such risks as intensifying natural disasters and terrorism, and cost increases due to rising labor costs. Amid such circumstances, we are continuing to pursue measures to maintain the opening effect of the Hokuriku Shinkansen and capture demand from seniors and inbound visitors, among other initiatives.

(2) Results by business segment

<Transportation Business>

The Company has implemented specific safety-related measures based on the "Safety Think-and-Act Plan 2017" formulated in 2013. In particular, as our priorities based on the issues recognized over the last three years, we are implementing measures to cope with intensifying natural disasters, improve safety on platforms, prevent labor accidents that may result in fatalities among our employees, strengthen risk management, enhance internal safety audits and utilize outside perspectives.

In response to intensifying natural disasters, the Company is moving forward with measures to improve disaster resilience during rainfall along its railway lines, focusing on the Kyoto-Osaka-Kobe area. For earthquake countermeasures, we conducted seismic retrofitting of elevated track pillars and station buildings. In December 2015, we completed the installation of derailment prevention guards on the Sanyo Shinkansen between Shin-Osaka and Himeji stations, and are moving forward with the installation along the segment between Himeji and Hakata. For tsunami countermeasures, we continued to upgrade tsunami evacuation equipment, and conducted trainings in accordance with the "Rules for Tsunami Evacuation Guidance" and other manuals formulated based on the lessons of the Great East Japan Earthquake.

To enhance safety on platforms, in conjunction with timetable revisions implemented in March 2016, we built new platforms at Takatsuki Station for special rapid service and limited express trains, and began using automatic platform gates (rope style). At Kyobashi Station, we began using movable platform gates and at the Sanyo Shinkansen Shin-Kobe Station, we began trial operation of new movable platform gates with wider openings to accommodate train cars with different door positions. In addition, we conducted a campaign aimed at preventing passengers from falling from platforms, including TV commercials calling for enhanced safety awareness, and posters.

For measures to prevent labor accidents, the Company revised its "Regulations to Prevent Engineering-Related Worker-Train Accidents on Conventional Lines" aimed at enhancing the level of safety during maintenance operations or inspections. In addition, we conducted trainings utilizing the Safety Perception Refinement Building constructed within the staff training center.

Despite these efforts, in December 2015, several workers fell during work to paint a bridge on the Sanyo Shinkansen. We are implementing appropriate measures to prevent a reoccurrence.

Also, in an effort to prevent serious accidents by further instilling a culture of reporting railway operations accidents, from April 2016 the Company, in principle, will no longer treat incidents resulting from human errors as subject to disciplinary procedures or negative evaluations.

From the fiscal year under review, the Company has introduced third-party evaluations of its safety management structure in order to improve the safety management structure, and enhance auditing of such structures.

In marketing initiatives, the Company pursued various measures to maximize the opening effect of the Hokuriku Shinkansen, promote the use of the Sanyo Shinkansen, capture demand from seniors and inbound visitors for sightseeing, improve transportation quality and enhance the value of the railway belts in the Kyoto-Osaka-Kobe area, encourage tourism in the western Japan region and develop businesses well suited to the area.

For the Hokuriku Shinkansen, the Company has enhanced the lineup of products through its "e5489" Internet reservation service, and operated sightseeing bus tours departing from Kanazawa and Toyama stations. In addition, the three prefectures that comprise the Hokuriku region, the Hokuriku Economic Federation and the JR Group conducted the "Hokuriku Destination Campaign." In conjunction with the campaign, we began operating the "Hanayome Noren" and "Belles montagnes et mer" sightseeing trains, and took other measures to highlight the appeal of the region. As part of efforts to expand mobility among the Kansai, Hokuriku and Shinetsu (Niigata/Nagano) regions, we held "Kansai-Hokuriku exchange meetings" to discuss initiatives for broadening exchanges through tourism as well as industry, culture and learning. We also worked to promote the Shinkansen use by selling travel packages allowing wide-area excursions across the Hokuriku and Shinetsu regions, and increasing the number of Thunderbird limited express trains in the timetable revisions implemented in March 2016. As a result, during the one-year period from April 2015 to March 2016, the use of the Hokuriku Shinkansen was 268% compared with a year earlier, with the number of users reaching 10 million as of April 2016.

Work to extend the Hokuriku Shinkansen continues, with the opening of the Kanazawa-Tsuruga segment scheduled for the end of the fiscal year ending March 31, 2023. We are making preparations as well, and will closely monitor the developments in the ruling party's investigative commission, at which we have expressed our opinion, regarding the route westward from Tsuruga.

For the Sanyo Shinkansen, in conjunction with the campaign marking the 40th anniversary of the opening of the Sanyo Shinkansen, we broadcast TV commercials in an effort to promote the use of the service to the Kansai region, and operated the "500 TYPE EVA" train, a collaboration project with Evangelion. We also worked to promote the use of the Kodama service through such measures as sales of "Kodama WEB Haya-toku 14" and "Kodama Super Haya-toku" early discount tickets, resulting in an increased use.

To capture demand from seniors, we took steps to stimulate demand with the launch of "Otonabi Pass" and "Otonabi WEB Haya-toku" early discount tickets, exclusively for members of the "Otonabi" service providing special discount tickets and travel packages to persons 50 and older. These packages have been popular with customers.

For measures aimed at increasing inbound visitors for sightseeing, we enhanced preparations by placing or increasing foreign traveler assistance staff at our principal stations, and increased the number of Haruka limited express trains in the March 2016 timetable revisions. We also expanded the range of products by launching the Saiyu Kiko Setouchi Area Pass for a sightseeing tour route from Kansai to Hakata, and took steps to expand the range of other products and services, including the launch of a charter service with the establishment in October 2015 of West JR Bus Service Company, a subsidiary specializing in charter bus services able to quickly arrange sightseeing buses. Further, in June 2015, we established a Group Inbound Promotion Office to implement group-wide measures for the transportation business, as well as the travel and hotel segments. In July 2015, we established a Singapore Office as a local facility to expand a railway use by visitors from Southeast Asian countries.

For measures to improve its transportation quality and enhance the value of the railway belts in the Kansai Urban area, in March 2016, the Company opened new Maya and Higashi-Himeji stations on the JR Kobe Line, and expanded the service area for the ICOCA e-money service to the Kishin Line, the Bantan Line and the Kakogawa Line. In addition, for the Kyoto Umekoji area, the Company worked in conjunction with the local governments and other local partners to vitalize the Umekoji area, and made preparations for the opening of the Kyoto Railway Museum on April 29, 2016, seeking to make it a "hub of railway culture together with the local community."

In addition, for measures to stimulate tourism across the western Japan region and develop businesses suited to each area, in anticipation of the launch of services of the Twilight Express Mizukaze sleeper train in spring 2017, the Company is preparing measures designed to provide a high-quality, comfortable travel, and invigorate the service areas. Specifically, in June 2015, we established a Mizukaze Planning Division and announced the operating routes. In September 2015, we decided on the train designs and other details and in December 2015, announced the uniform designs for the train crew and the chefs who will supervise the meals.

As part of measures for sustainable transportation systems, the Company conveyed to the local governments its intention to begin considerations regarding the Sanko Line in October 2015. In response, in February 2016, a review committee comprising the Company and the local governments began examining the desirable condition for sustainable local public transportation.

In bus and ferry (the Miyajima Line) services, with a basis in safety, we worked to enhance convenience by implementing transportation improvements based on customer usage patterns.

As a result of these measures, operating revenues for the Transportation Business segment increased 6.9% from the previous fiscal year, to ¥928.7 billion, with operating income up 24.3%, to ¥125.1 billion.

<Retail Business >

As measures to enhance the appeal of our stations, in December 2015, we held the grand opening for Eki Marché Shin-Osaka, the facility inside the area through the ticket gates

at Shin-Osaka Station, for which we had been making preparations. We also opened "Enmusubi-dori Zone" at Shamine Matsue in Matsue Station, resulting in an extensive use. For our business alliance with Seven-Eleven Japan, we opened 123 new franchised stores to date in the fiscal year under review for a total of 193 locations. New store sales are steady.

Further, in response to increased demand in recent years from inbound visitors for sightseeing, we decided to open new locations of the Via Inn budget hotels at Tennoji and Umeda in 2017.

In August 2015, the Company's consolidated subsidiary West Japan Railway Food Service Net Company acquired the shares in Karafuneya Coffee Co., Ltd. with the aim of opening locations in cities outside our railways.

Shops at our major stations where renovation work had been conducted were opened as planned, and business performance is firm on the increased railway use. As a result, operating revenues in the Retail Business segment increased 5.4% from the previous fiscal year, to ¥232.0 billion, with operating income up 233.0%, to ¥5.3 billion.

<Real Estate Business>

We has been implementing measures to maximize the opening effect of LUCUA 1100, the West Wing of the North Gate Building of OSAKA STATION CITY, opened in April 2015. We have also been moving forward with renovations to commercial facilities at our major stations, to support future growth. LUCUA osaka recorded moderate performance amid a harsh operating environment, with ¥76.1 billion in sales with 77 million visitors.

In addition, in conjunction with the opening of the Kanazawa segment of the Hokuriku Shinkansen, the number of customers to the newly opened and renovated shopping centers in the Toyama and Kanazawa areas has increased with the greater railway use. Further, we continued to renew and refresh commercial facilities, with the expansion and renovation of Hiroshima Shinkansen Meitengai in Hiroshima Station in May 2015, along with the renovation in July of the second floor of the Shin-Osaka Station commercial facility as "arde! Shin-Osaka," and in January-February this year the Akashi Station commercial facility as "piole Akashi."

We are also taking steps for condominium development in areas along our railway lines and other areas, recording steady sales.

In April 2015, the Company merged its two consolidated subsidiaries operating shopping centers at JR Osaka Station and other areas, with the aim of developing and operating more convenient and attractive commercial facilities.

As a result, operating revenues for the Real Estate Business segment increased 24.9% from the previous fiscal year, to ¥108.8 billion, with operating income up 29.9%, to ¥32.7 billion.

<Other Businesses>

In hotel operations, we made efforts to expand sales in order to gain business from

inbound visitors for sightseeing, resulting in an extensive use. In travel agency operations, we strengthened marketing efforts to capture inbound visitor demand, expanded Internet sales and took steps to increase sales of products that utilize railways.

In addition, with the aim of utilizing management and technology expertise to realize safe and reliable transportation, along with human resources development, in December 2015, we concluded an agreement with Mitsui & Co., Ltd. to acquire shares in a Japanese corporation Guarana Urban Mobility Incorporated, which invests in urban passenger transportation companies in Brazil. We acquired the shares in March 2016.

For the ICOCA e-money service, we conducted various events and campaigns marking the 10th anniversary of the service, further promoting the use.

In the construction business, we enhanced safety and quality in construction projects, leading to an increase in new orders.

As a result, operating revenues for the Other Businesses segment increased 4.1% from the previous fiscal year, to ¥181.5 billion, with operating income up 43.5%, to ¥22.4 billion.

(2) Capital expenditure

During the fiscal year under review, the Group made capital investments by placing the full weight of its effort on enhancing safety. The Group also made investments to improve services and profitability and build up its transportation infrastructures, among other things.

The investments totaled ¥248.0 billion.

A. Major projects completed during the fiscal year under review are as follows:

- Construction to improve the Takatsuki station on the JR Kyoto Line.
- Construction to build new stations ("Maya" and "Higashi-Himeji" on the JR Kobe Line).
- Construction to improve the concourse of the Shin-Osaka station.
- Construction to build new rolling stock (Shinkansen: 76 railcars, conventional lines: 150 railcars).
- Construction to build a new Hiroshima General Hospital of West Japan Railway Company on a new site.
- Construction to build the Kyoto Railway Museum.

B. Major projects under construction as of the end of the fiscal year under review are as follows:

- CTC construction on the Sanyo Main Line.
- Construction to relocate a portion of a branch line of the Tokaido Line underground and build a new station.
- Construction to build new stations (one on the JR Kyoto Line and one on the Sanyo

Main Line).

- Construction to improve the Hiroshima station on the Sanyo Main Line.
- Construction to electrify and extend the Kabe Line.
- Construction to build new rolling stock (Shinkansen: 64 railcars, conventional lines: 417 railcars).

(3) Fund-raising

The Group borrowed ¥35.0 billion in domestic straight bonds and ¥64.4 billion in long-term debt for the purposes of debt redemption and capital expenditure.

(4) Issues to be addressed

The Group takes very seriously its responsibility for the Fukuchiyama Line accident and the gravity of its consequences, and is making a concerted effort to establish a safe and trusted rail service. In March 2013, the Company formulated a "JR-West Group Medium-Term Management Plan 2017" and its core component, the "Safety Think-and-Act Plan 2017." The "JR-West Group Medium-Term Management Plan 2017" retains as its highest priority the "Three Pillars of Management" of "measures to have ourselves accepted as acting with the best intentions by the victims of the train accident," "measures to enhance safety" and "furthering of reform," while also newly establishing as "Our Future Direction – The Ideal Form for JR-West," the objectives of fulfilling "Our Mission" of sustained railway operations, and contributing to the invigoration of local communities as a "Company Coexisting with Communities."

In April 2015, the Company updated the "JR-West Group Medium-Term Management Plan 2017" based on a review of the previous two years and the changes in the business environment, revising and adding initiatives to achieve the plan targets.

To achieve the goals of the plan, as our basic strategy, we will concentrate on the three aspects of "Safety," "Customer Satisfaction" and "Technologies." In our four business areas of "Shinkansen," "Kansai Urban Area," "Other West Japan Area" and "Business Development," we will set targets for fiscal 2017 and clarify our direction, and seek long-term, sustainable growth through various strategies to achieve these targets, the promotion of foundation building to ensure sustained and sound business operations, and the fulfilling of our responsibilities as a member of society.

In terms of "Safety," the highest priority of the Three Basic Strategies, we will work to reduce "railway accidents with casualties on platforms," "accidents at level crossings" and "transportation disruptions due to internal factors," for each of which numerical targets are set in the "Safety Think-and-Act Plan 2017." We will also pursue measures to address intensifying natural disasters and strengthen risk management, as part of our efforts to further enhance safety.

In terms of "Customer Satisfaction," we have set a goal of making customers "JR-West fans," and based on the recognition of the "Customer Satisfaction Vision 2017/Customer Satisfaction Think-and-Act Declaration," and recognizing that everything we

do is related to customers, we will deepen communications with customers, work to enhance and improve services in order to pursue measures that meet customers' desires for safety, comfort and other needs, including such measures as minimizing impacts of transportation disruptions and improving guidance information.

For "Technologies," we will focus on continuous innovations to support the basic strategies of "Safety" and "Customer Satisfaction" in order to pursue technical development aimed at fostering advances in railway operations systems. We will also seek to use technology to address such issues as engineer training and the development of gauge change trains.

Regarding the "Four Business Strategies," for "Shinkansen" we will work to further improve safety and reliability, and provide a competitive transportation service. We will also generate new demand by expanding services for seniors and inbound visitors for sightseeing.

For "Kansai Urban Area," through a focus on further safety and measures for a thoroughly reliable transport service, we will raise the quality of our rail service, so that it is used repeatedly by customers, and work to enhance the value of our railway belts. Also, to provide greater convenience for our railway users, we will expand the service area for using the ICOCA e-money service, and will continue with efforts to make our stations barrier-free. Further, for the Osaka Loop Line Renovation Project, we will introduce new rolling stock, renovate the stations and take other steps to improve the Osaka Loop Line. In the Kyoto Umekoji area, we will invigorate the region through initiatives including the opening of the Kyoto Railway Museum.

For "Western Japan Area," we will work together with the local regions for community development centered on our stations by taking advantage of the strengths of the railways, and will pursue such efforts as "destination campaigns" to stimulate tourism, and the building of structures to promote regions broadly. We will also continue with preparations to begin operations for a new sleeper train, Twilight Express Mizukaze, which will allow passengers to experience the appeal of the San-in and Sanyo regions through rail journeys.

We will further promote dialogue with the local communities aimed at establishing the ideal system for sustainable local transportation.

For "Business Development," we will expand lifestyle-related services, including the expansion of our business alliance with Seven-Eleven Japan Co., Ltd. for in-station stores, as well as enhance the value of our group assets through the development of terminal stations, among others. We will also foster business creation through the cultivation and nurturing of new business fields.

Further, in April 2015, we updated the "JR-West Group Medium-Term Management Plan 2017" based on a review of the previous two years and the changes in the business environment. We have identified three new strategic themes spanning across our business areas "Hokuriku Shinkansen and invigoration of the Hokuriku region," the newly renovated

"LUCUA osaka" and "capturing inbound visitor demand," and are pursuing measures focusing on these themes.

For "Hokuriku Shinkansen and invigoration of the Hokuriku region," we will work to sustain the opening effect of the Kanazawa segment of the Hokuriku Shinkansen, increase mobility within the Kansai, Hokuriku and Shinetsu regions, and vitalize the local communities. We will also make full-fledged preparations for the opening of the Kanazawa-Tsuruga segment of the Hokuriku Shinkansen.

For "LUCUA osaka," we will continue renovations and conduct large-scale promotions to further boost activity at the entire OSAKA STATION CITY.

For "capturing inbound visitor demand," we will work together with the local regions to establish appealing, wide-area sightseeing routes, broaden our promotional area centered on the Singapore office, and make preparations to handle a further increase in inbound visitors for sightseeing, as part of our measures to increase the use of our services.

To effectively achieve these strategies, we will undertake specific measures toward "building foundations" for sound business and operational management as a company. These include "Enhance Front-Line Capabilities," in which employees at all workplaces identify issues and resolve them on their own, as well as securing and training human resources and raising their motivations.

For compliance with the "Corporate Governance Code" applicable to all listed companies from June 2015, in October 2015, we disclosed our basic positions and status of measures. Going forward, based on the essence of this code, which aims to provide for sustainable growth for companies and to enhance their medium- to long-term corporate value, along with the specific characteristics of our operations centered on the railway business, we will conduct management from a medium- to long-term perspective, and seek to build a long-term relationship of trust with our shareholders and all stakeholders. Further, through crisis management, initiatives for the global environment and other measures, we will fulfill our responsibilities as a member of society.

Our business environment is expected to be strained by such factors as a population decline, competition from other modes of transportation and response measures for coping with intensifying natural disasters and terrorism. However, we will pursue measures based on increased demand from seniors and inbound visitors for sightseeing, along with measures to sustain the opening effect of the Kanazawa segment of the Hokuriku Shinkansen, and will further boost activity at "LUCUA osaka."

The Group, through the principle of "thinking and acting based on the field," will continue to make a concerted effort as a corporate group to take the next step into a new era and while working together with the communities, strive to enhance its corporate value over a medium and long term.

We cordially seek the continued understanding and support of our shareholders.

(5) Assets and profits

Item	26th April 1, 2012 - Mar. 31, 2013	27th April 1, 2013 - Mar. 31, 2014	28th April 1, 2014 - Mar. 31, 2015	29th (current year) April 1, 2015 - Mar. 31, 2016
Operating revenues (billion yen)	1,298.9	1,331.0	1,350.3	1,451.3
Recurring profit (billion yen)	104.6	112.9	121.9	162.2
Profit attributable to owners of parent (billion yen)	60.1	65.6	66.7	85.8
Net income per share (yen)	310	338	344	443
Total assets (billion yen)	2,613.7	2,687.8	2,786.4	2,843.1
Net assets (billion yen)	768.1	807.3	846.7	926.3

(6) State of major subsidiaries, etc. (as of March 31, 2016)

(i) State of major subsidiaries:

Name	Paid-in capital (million yen)	Equity ownership by the Company (%)	Main business
West Japan Railway Hotel Development Limited	18,000	100.0	Hotels
West Japan Railway Isetan Limited	14,000	60.0	Department store
Kyoto Station Building Development Co., Ltd.	6,000	61.4 (61.9)	Real estate leasing
Osaka Terminal Building Company	5,500	76.2	Real estate leasing
Nippon Travel Agency Co., Ltd.	4,000	79.8	Travel agency
Chugoku JR Bus Company	2,840	100.0	Bus services
West Japan Railway Daily Service Net Company	2,300	100.0	Retail sales
West Japan JR Bus Company	2,110	100.0	Bus services
DAITETSU KOGYO Co., Ltd.	1,232	36.9	Construction
JR WEST REAL ESTATE & DEVELOPMENT COMPANY	620	100.0	Real estate leasing
West Japan Marketing Communications Inc.	200	65.0 (100.0)	Advertising services
West Japan Electric System Co., Ltd.	81	51.5	Electric engineering

(Notes) 1. The percentages in the parentheses represent the Company's equity ownership including shares held indirectly through the subsidiaries of the Company.

2. The ratio of voting rights held by the Company in DAITETSU KOGYO Co., Ltd. is 51.6%.

(ii) State of major affiliated companies:

Name	Paid-in capital (million yen)	Equity ownership by the Company (%)		Main business
Kansai Rapid Railway Co., Ltd.	75,280	23.9	(24.2)	Railway services
Osaka Soto-Kanjo Railway Co., Ltd.	20,768	23.7	(25.1)	Railway services
Kosei Construction Co., Ltd.	780	20.3	(35.6)	Construction

(Note) The percentages in the parentheses represent the Company's equity ownership including shares held indirectly through the subsidiaries of the Company.

(7) Major businesses and offices (as of March 31, 2016)

The major businesses the Group engages in and the offices therefor are as follows:

(i) Transportation Business:

In addition to the railway services, the Group engages in bus services and other services.

- The Company (Kita-ku, Osaka-City)
- Chugoku JR Bus Company (Minami-ku, Hiroshima-City)
- West Japan JR Bus Company (Konohana-ku, Osaka-City)

The outline of the railway services is as follows:

Office	Route length			Number of stations	Number of rolling stock cars
	Shinkansen	Conventional railway lines	Total		
	km	km	km		
Shinkansen Management Division	644.0	8.5	652.5	3	1,023
Kanazawa Branch	168.6	(28.0) 459.8	(28.0) 628.4	136	576
Kansai Urban Area Regional Head Office	-	946.0	946.0	335	3,564
Wakayama Branch	-	282.5	282.5	86	0
Fukuchiyama Branch	-	331.7	331.7	71	183
Okayama Branch	-	601.0	601.0	154	384
Yonago Branch	-	605.7	605.7	154	248
Hiroshima Branch	-	959.3	959.3	258	629
Total	812.6	(28.0) 4,194.5	(28.0) 5,007.1	1,197	6,607

(Notes) 1. Fukuoka Branch has been established under the Shinkansen Management Division. Kyoto, Osaka and Kobe Branches have been established under the Kansai Urban Area Regional Head Office.

2. The kilometers in the parentheses are shown separately for Category III railway services (Nanao Line (between Wakura-Onsen and Anamizu)). The conventional railway lines of the Kansai Urban Area Regional Head Office include 28.6 kilometers of Category II railway services (Kansai-Airport Line (between Rinku-Town and Kansai-Airport), JR Tozai Line (between Kyobashi and Amagasaki) and Osaka Higashi Line (between Hanaten and Kyuhoji)). The other lines are all for Category I railway services.

Category I railway services:	Transportation services provided by using its own railway tracks
Category II railway services:	Transportation services provided by leasing railway tracks from other operators
Category III railway services:	Possession of railway tracks that are used by operators of Category II railway services for transportation services

(ii) Sales of Goods and Food Services:

The Group engages in department store business, as well as sales of goods and food services.

- West Japan Railway Isetan Limited (Shimogyo-ku, Kyoto-City)
- West Japan Railway Daily Service Net Company (Amagasaki-City, Hyogo-Prefecture)

(iii) Real Estate Business:

The Group engages in sales and lease of real estate by use of its own real estate and other properties and operations of shopping centers.

- Kyoto Station Building Development Co., Ltd. (Shimogyo-ku, Kyoto-City)
- Osaka Terminal Building Company (Kita-ku, Osaka-City)
- JR WEST REAL ESTATE & DEVELOPMENT COMPANY (Amagasaki-City, Hyogo- Prefecture)

(iv) Others:

The Group engages in hotel and advertising businesses by use of its own properties, travel agency business that has highly synergistic effects with its transportation services, and various construction and engineering works.

- West Japan Railway Hotel Development Limited (Shimogyo-ku, Kyoto-City)
- Nippon Travel Agency Co., Ltd. (Chuo-ku, Tokyo)
- West Japan Marketing Communications Inc. (Kita-ku, Osaka-City)
- West Japan Electric System Co., Ltd. (Yodogawa-ku, Osaka-City)
- DAITETSU KOGYO Co., Ltd. (Yodogawa-ku, Osaka-City)

(8) State of employees

(as of March 31, 2016)

Segment description	Number of employees (increase or decrease compared with the end of the previous fiscal year)
Transportation Business	27,476 (-403)
Retail Business	2,254 (-24)
Real Estate Business	1,068 (+100)
Others	16,658 (+218)
Total	47,456 (-109)

(Note) The number of employees represents the number of those actually at work in the respective segments.

(9) Major lenders (largest 10)

(as of March 31, 2016)

Lender	Debt payable (billion yen)
Nippon Life Insurance Company	37.5
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	36.8
Sumitomo Mitsui Banking Corporation	31.3
Mizuho Bank, Ltd.	24.7
Resona Bank, Limited	23.6
Development Bank of Japan	21.7
Sumitomo Mitsui Trust Bank, Limited	16.0
The Norinchukin Bank	15.0
Meiji Yasuda Life Insurance Company	14.0
The Bank of Kyoto, Ltd.	13.3

2. Matters concerning shares (as of March 31, 2016)

(1) Total number of shares authorized to be issued 800,000,000 shares

(2) Total number of issued shares 193,735,000 shares

(Note) 673 shares of treasury stock are included in the total number of issued shares.

(3) Number of shareholders 147,297 persons

(4) 10 major shareholders

Name	Number of shares (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Unit)	7,660,800	3.95
Japan Trustee Services Bank, Ltd. (Trust Unit)	6,572,200	3.39
Sumitomo Mitsui Banking Corporation	6,400,000	3.30
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	6,300,000	3.25
Mizuho Bank, Ltd.	4,600,000	2.37
Nippon Life Insurance Company	4,000,000	2.06
JR-West Employee Stock-Sharing Plan	3,745,100	1.93
Sumitomo Mitsui Trust Bank, Limited	3,200,100	1.65
STATE STREET BANK WEST CLIENT - TREATY 505234	3,035,158	1.57
Japan Trustee Services Bank, Ltd. (Trust Unit 9)	2,490,800	1.29

(Note) For the purpose of computing the shareholding ratios, 673 shares of treasury stock are excluded from the total number of issued shares of the Company.

3. **Matters concerning corporate officers** (as of March 31, 2016)

(1) Names of Directors and Corporate Auditors, etc.

Title	Name	Duties and major concurrent posts
Chairman and Director (Chairman of the Board of Directors)	Takayuki Sasaki	
Director	Tadashi Ishikawa	Special Counsel, Oh-Ebashi LPC & Partners
Director	Yumiko Sato	Professor, Faculty of Regional Development Studies, Otemon Gakuin University Director, Mature Society Research Institute, Otemon Gakuin Educational Foundation Member of the Board of Governors, Japan Broadcasting Corporation
Director	Yuzo Murayama	Vice President of Doshisha University Professor, Doshisha Business School
Director	Norihiko Saito	Chairman, Kinden Corporation
Director	Hideo Miyahara	Specially-appointed Professor, Graduate School of Information Science and Technology, Osaka University Research Director and Member of the Board, Asia Pacific Institute of Research Representative Director, Knowledge Capital Association Outside Director, Osaka Gas Co., Ltd.
President and Representative Director	Seiji Manabe	In charge of responses to the victims of the derailment accident on the Fukuchiyama Line of the Company
Vice President and Representative Director	Akiyoshi Yamamoto	Provides general assistance to President. In charge of safety enhancement, Railway Operations Headquarters, Safety Research Institute, Structural Engineering Office and Construction Department
Vice President and Representative Director	Shizuka Yabuki	Provides general assistance to President. In charge of Business Development Headquarters
Vice President and Representative Director	Tatsuo Kijima	Provides general assistance to President. In charge of furthering of reform, Supporting Headquarters for the Victims of the Derailment

Title	Name	Duties and major concurrent posts
		Accident on the Fukuchiyama Line of the Company, Corporate Planning Headquarters, Secretary Office, Corporate Communication Department, Personnel Department and Tokyo Headquarters
Director	Akihiro Horisaka	In charge of IT Headquarters and Marketing Department, Railway Operations Headquarters
Director	Kazuaki Hasegawa	In charge of Kansai Urban Area Regional Head Office
Director	Norihiko Yoshie	In charge of innovation of railway technology, and Technical Research & Development Department and Shinkansen Supervising Department, Railway Operations Headquarters
Director	Nobutoshi Nikaido	In charge of Deliberation Department of the Derailment Accident on the Fukuchiyama Line, Inquiry & Auditing Department, Corporate Ethics and Risk Management Department, General Affairs Department and Finance Department
Full-time Corporate Auditor	Yasutaka Kikuchi	
Full-time Corporate Auditor	Mikiya Chishiro	
Corporate Auditor	Yasumi Katsuki	Certified public accountant, Katsuki Office External Director, Sumitomo Seika Chemicals Company Limited External Director, Sakata Inx Corporation
Corporate Auditor	Yoshinobu Tsutsui	President and Representative Director, Nippon Life Insurance Company External Director, Imperial Hotel Ltd. Outside Director, Panasonic Corporation

(Notes)
1. Directors Tadashi Ishikawa, Yumiko Sato, Yuzo Murayama, Norihiko Saito and Hideo Miyahara are external directors as provided for in Article 2, item 15 of the Companies Act of Japan.
2. Full-time Corporate Auditor Mikiya Chishiro, Corporate Auditors Yasumi Katsuki and Yoshinobu Tsutsui are external auditors as provided for in Article 2, item 16 of the Companies Act of Japan.
3. The Company has registered all of its external officers (external Directors and external Corporate Auditors) as independent officers as provided for by the financial instruments exchanges on which its shares are listed.
4. Corporate Auditor Yasumi Katsuki, who is qualified as a certified public accountant, has considerable knowledge of financing and accounting.
5. The Company has a business relationship with Nippon Life Insurance Company. It

has no special relation with any other company or institution with which the external Directors and Corporate Auditors hold concurrent posts as listed above.

6. Director Yuzo Murayama retired as Vice President of Doshisha University as of March 31, 2016.
7. Director Hideo Miyahara retired as Specially-appointed Professor, Graduate School of Information Science and Technology of Osaka University as of March 31, 2016.

(2) Total amount of remuneration, etc. for Directors and Corporate Auditors

Classification	Number	Amount
Director	14	¥477 million
Corporate Auditor	6	¥74 million
Total	20	¥551 million

(Note) The total amount of remuneration, etc. for ten external officers for the fiscal year under review was ¥87 million.

(3) Major activities of external officers

Classification	Name	Major activities
External Director	Tadashi Ishikawa	Mr. Ishikawa attended all of the 12 sessions of the Board of Directors held during the fiscal year under review and expressed his opinions from time to time, principally from the professional perspective of an attorney at law.
	Yumiko Sato	Ms. Sato attended all of the 12 sessions of the Board of Directors held during the fiscal year under review and expressed her opinions from time to time, principally from the professional perspective of an academic expert.
	Yuzo Murayama	Mr. Murayama attended all of the 12 sessions of the Board of Directors held during the fiscal year under review and expressed his opinions from time to time, principally from the professional perspective of an academic expert.
	Norihiko Saito	Mr. Saito attended all of the 12 sessions of the Board of Directors held during the fiscal year under review and expressed his opinions from time to time, principally from the perspective of an experienced management executive.
	Hideo Miyahara	Mr. Miyahara attended 11 of the 12 sessions of the Board of Directors held during the fiscal year under review and expressed his opinions from time to time, principally from the professional perspective of an academic expert.
External Corporate Auditor	Mikiya Chishiro	Mr. Chishiro attended all of the 10 sessions of the Board of Directors and all of the 11 sessions of the Board of Corporate Auditors held after his assumption of office during the fiscal year under review and expressed his opinions from time to time, principally with his wide experience in public administration.
	Yasumi Katsuki	Mr. Katsuki attended all of the 12 sessions of the Board of Directors and all of the 15 sessions of the Board of Corporate Auditors held during the fiscal year under review and expressed his opinions from time to time, principally from the professional perspective of a certified public accountant.
	Yoshinobu Tsutsui	Mr. Tsutsui attended eight of the 10 sessions of the Board of Directors and all of the 11 sessions of the Board of Corporate Auditors held after his assumption of office during the fiscal year under review and expressed his opinions from time to time, principally from the perspective of an experienced management executive.

(4) Summary of the agreements to limit liabilities

The Company has entered into an agreement with each of the external Directors and external Corporate Auditors to limit his/her liabilities as provided for in Article 423, paragraph 1 of the Companies Act of Japan in accordance with Article 427, paragraph 1 of the said act. The maximum amount of the liabilities under the agreement is as provided for in laws and ordinances.

4. Matters concerning account auditors

(1) Name of the account auditors

Ernst & Young ShinNihon LLC

(2) Amount of remuneration, etc. for the account auditors

(i)	Amount of remuneration, etc. payable for the fiscal year under review:	¥179 million
(ii)	Total amount of money and other proprietary benefits payable by the Company and its subsidiaries:	¥485 million

(Notes) 1. The amount of remuneration payable to the account auditors for their audits under the Companies Act of Japan and the amount of remuneration payable for their audits under the Financial Instruments and Exchange Act of Japan are not specifically separated in the audit contract between the Company and the account auditors and cannot be separated practically. Hence, such amounts are stated collectively.

2. The Board of Corporate Auditors obtained necessary materials and received reports from the Directors, the related internal divisions of the Company and the account auditors and also confirmed the status of the audits made during the previous fiscal year, as well as the content of the audit plans, the appropriateness of remuneration estimates, etc. for the fiscal year under review. As a result, the Board of Corporate Auditors determined that the remuneration, etc. for the account auditors was appropriate and consented thereto.

(3) Content of non-auditing services

The Company has entrusted the account auditors with, and paid remuneration for, advisory services for the preparation of CSR reports and others, which services are not covered by Article 2, paragraph 1 of the Certified Public Accountant Act of Japan.

(4) Policy on determination of dismissal and non-reappointment

In the event that the account auditors are considered to fall under any of the items of Article 340, paragraph 1 of the Companies Act of Japan, the Board of Corporate Auditors of the Company shall determine to dismiss the account auditors and if it is otherwise considered necessary, submit a proposition to dismiss or not to reappoint the account auditors to the General Meeting of Shareholders.

(5) Administrative order of business suspension issued to the account auditors for the past two years

Summary of the administrative order issued as of December 22, 2015 by the Financial Services Agency

(i) Party subject to the administrative order:

Ernst & Young ShinNihon LLC

(ii) Content of the administrative order:

Suspension of business of accepting new engagements for three months (from January 1, 2016 to March 31, 2016)

(iii) Reasons for the administrative order:

- Seven certified public accountants of Ernst & Young ShinNihon LLC, in negligence of due care, attested the financial statements of TOSHIBA CORPORATION for the fiscal years ended March 31, 2010, 2012 and 2013 containing material misstatements as if the statements contained no material misstatements.

- The operations of Ernst & Young ShinNihon LLC were found to be significantly inappropriate.

5. Overview of the status of implementation of the systems required to secure the properness of business activities (as of March 31, 2016)

The overview of the status of implementation of the systems during the fiscal year under review after the enforcement of the "Act to Ament Part of the Companies Act" (2014 Act No. 90) and the "Ministerial Ordinance to Amend Part of the Regulations to Enforce the Companies Act, Etc." (2015 Ordinance of the Ministry of Justice No. 6) are described below:

(1) Measures to secure compliance with law

The Corporate Ethics Committee has deliberated on fundamental policies on the establishment of corporate ethics and others. The "Ethics Office (including outside contacts)" has properly handled internal reporting and the Company has disseminated the methods of communication and consultation, etc. to its employees and Group Companies.

(2) Measures to ensure the proper and efficient execution by the Directors and employees of the Company of their duties

To strengthen the monitoring and supervising functions of the Board of Directors, the Company has, in conjunction with the system of distributing information to outside officers,

created opportunities other than meetings of the Board of Directors to give explanations on important managerial issues, including explanations on propositions to a meeting of the Board of Directors in advance, and organized site visits to provide information on the managerial conditions and backgrounds of the implementation of measures, to external Directors and external Corporate Auditors.

At each meeting of the Board of Directors, explanations have proactively been given on the positioning and risk of each measure in the medium-term management plan and the details of the discussions in the Company prior to such meeting to enhance the effectiveness of the Board of Directors. In addition, opinions of the outside officers at the meetings of the Board of Directors have been reported to the Management Committee for the purposes of risk and safety control.

For the purpose of internal control, as a measure to "improve the quality of internal audits", the Company has positioned its internal audit division as the "third defense line" to allow the division to make audits from an essential perspective, as to whether there is any problem with the mechanisms of business activities, and select and audit such themes as considered riskier among the managerial issues.

(3) Measures to manage exposure to the risk of loss

To enhance the safety of railway business, the Company has promoted the measures set forth in its "Safety Think-and-Act Plan 2017" and also evaluated and verified, and had third parties evaluate and verify, its safety management system. Furthermore, for the purpose of risk management of other businesses than railway, the Company has implemented measures to promote risk management in each division of the Group and conducted realistic drills to strengthen its rapid initial response system in the event of a wide-scale disaster.

(4) Measures to secure the properness of business activities of the corporate group

The Company has held discussions on management and other policies with its Group Companies and sent executives to the important Group Companies to steadily promote group management. In addition, for the purpose of the establishment of corporate ethics and risk management of the entire Group, the Company has formulated policies on the measures therefor, detected serious risks and implemented countermeasures at its "Corporate Ethics Committee" and "Risk Management Committee" to afford necessary support for risk management of the entire Group.

(5) Measures to ensure effective audits by the Corporate Auditors

The Company has strengthened, and endeavored to implement, the system to report the matters concerning the Company and its Group Companies to the Corporate Auditors.

The Corporate Auditors of the Company have attended meetings of the Board of Directors, sessions of the Management Committee and other important meetings, and exchanged opinions with the Representative Directors, the Chairman, each Director, the internal audit division and the Group Companies on a regular basis to verify the status of

internal control.

(6) Measures to eliminate antisocial forces

The Company has appointed "personnel responsible for preventing undue claims" and held lectures in collaboration with attorneys at law to strengthen its preventive system and also promoted training and education through various measures and response manuals for the elimination of antisocial forces.

The "Systems Required to Secure the Properness of Business Activities" determined by the Board of Directors of the Company are posted on our website.
(http://www.westjr.co.jp/company/ir/stock/meeting/*

(*) For your reference, the English translation of the matters presented on the Japanese website above will be provided on the Company's English website (http://www.westjr.co.jp/global/en/ir/news/2016/).

CONSOLIDATED BALANCE SHEET

(As of March 31, 2016)

(million yen)

ASSETS

Current assets:	349,715
Cash and deposits	45,973
Trade notes and accounts receivable	34,681
Railway fares receivable	34,794
Accounts receivable	58,719
Marketable securities	35,000
Inventories	59,387
Deferred tax assets	17,979
Others	64,193
Less allowance for doubtful accounts	(1,014)
Fixed assets:	2,493,476
Tangible fixed assets:	2,241,925
Buildings and structures	1,105,542
Machinery, equipment and transport equipment	344,337
Land	675,002
Construction in progress	81,885
Other tangible fixed assets	35,156
Intangible fixed assets:	28,131
Investments and other assets:	223,419
Investment in securities	69,548
Net defined benefit asset	1,384
Deferred tax assets	124,868
Others	28,369
Less allowance for doubtful accounts	(751)
Deferred assets:	3
TOTAL ASSETS	2,843,194

(Note) Figures are indicated by discarding fractions of one million yen.

(million yen)

LIABILITIES

Current liabilities:	536,786
Trade notes and accounts payable	76,782
Short-term borrowings	14,775
Current portion of bonds	30,000
Current portion of long-term debt	34,024
Current portion of long-term payables for the acquisition of railway properties	30,647
Current portion of long-term payables	64
Accounts payable	91,338
Accrued consumption taxes	10,840
Accrued income taxes	36,389
Railway deposits received	2,238
Deposits	75,557
Prepaid railway fares received	38,589
Advances received	16,738
Allowance for bonuses	37,777
Allowance for point program	1,619
Others	39,401
Long-term liabilities:	1,380,031
Bonds	464,979
Long-term debt	334,667
Long-term payables for the acquisition of railway properties	107,472
Deferred tax liabilities	3,271
Allowance for environment and safety measures	21,099
Allowance for gift certificates yet to be redeemed	2,668
Net defined benefit liability	341,359
Others	104,512
TOTAL LIABILITIES	1,916,818

NET ASSETS

Shareholders' equity:	858,775
Common stock	100,000
Capital surplus	55,068
Retained earnings	704,187
Treasury stock	(481)
Accumulated other comprehensive income:	19,087
Evaluation difference on other securities	3,523
Deferred hedge income (loss)	(121)
Accumulated adjustments to retirement benefits	15,685
Non-controlling interests:	48,513
TOTAL NET ASSETS	926,376
TOTAL LIABILITIES AND NET ASSETS	2,843,194

(Note) Figures are indicated by discarding fractions of one million yen.

CONSOLIDATED STATEMENT OF INCOME

(From April 1, 2015 to March 31, 2016)

(million yen)

Operating revenues		1,451,300
Operating expenses:		
Transportation and other services and cost of sales	1,084,891	
Selling, general and administrative expenses	184,869	1,269,760
Operating income		181,539
Non-operating income:		
Interest income	116	
Dividend income	650	
Equity in earnings of affiliates	1,288	
Others	5,770	7,826
Non-operating expenses:		
Interest expenses	24,158	
Others	2,946	27,105
Recurring profit		162,260
Extraordinary profits:		
Proceeds from construction contract	14,487	
Expropriation compensation	862	
Gain on sales of fixed assets	1,898	
Others	4,264	21,512
Extraordinary expenses:		
Loss on reduction entry of proceeds from construction	13,652	
Loss on reduction entry of expropriation	848	
Provision for environment and safety measures	12,939	
Others	11,174	38,614
Income before income tax		145,158
Corporation, inhabitant and enterprise taxes	52,259	
Income taxes – deferred	2,860	55,119
Net income		90,038
Profit attributable to non-controlling interests		4,170
Profit attributable to owners of parent		85,868

(Note) Figures are indicated by discarding fractions of one million yen.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, ETC.

(From April 1, 2015 to March 31, 2016)

(million yen)

	Shareholders' equity					Accumulated other comprehensive income					
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Evaluation difference on other securities	Deferred hedge income (loss)	Accumulated adjustments to retirement benefits	Total accumulated other comprehen-sive income	Non-con-trolling interests	Total net assets
Balance as of April 1, 2015	100,000	55,000	643,198	(480)	797,717	4,955	638	(2,047)	(3,547)	45,436	846,701
Changes during the year:											
Dividends from surplus			(25,185)		(25,185)						(25,185)
Profit attributable to owners of parent			85,868		85,868						85,868
Increase by merger			306		306						306
Purchase of treasury stock				(0)	(0)						(0)
Change in equity in affiliates accounted for equity method - treasury stock				(0)	(0)						(0)
Purchase of shares of consolidated subsidiaries		68			68						68
Changes in items other than shareholders' equity during the year (net)						(1,431)	(760)	17,732	15,540	3,077	18,618
Total changes during the year	-	68	60,989	(1)	61,057	(1,431)	(760)	17,732	15,540	3,077	79,675
Balance as of March 31, 2016	100,000	55,068	704,187	(481)	858,775	3,523	(121)	15,685	19,087	48,513	926,376

(Note) Figures are indicated by discarding fractions of one million yen.

BALANCE SHEET

(As of March 31, 2016)

	(million yen)
ASSETS	
Current assets:	251,945
Cash and deposits	30,609
Railway fares receivable	35,069
Accounts receivable	29,662
Accrued income	5,427
Short-term loans	57,146
Marketable securities	35,000
Materials and supplies	16,233
Prepaid expenses	1,979
Deferred tax assets	11,865
Others	35,524
Less allowance for doubtful accounts	(6,574)
Fixed assets:	2,247,918
Fixed assets for railway operations	1,705,146
Fixed assets for related businesses	71,411
Other relevant fixed assets	68,148
Construction in progress	73,116
Investments and other assets	330,095
Stocks of affiliates	158,831
Investment in securities	12,464
Long-term loans receivable	34,041
Long-term prepaid expenses	7,534
Deferred tax assets	110,599
Others	6,766
Less allowance for doubtful accounts	(141)
TOTAL ASSETS	2,499,863

(Note) Figures are indicated by discarding fractions of one million yen.

LIABILITIES	(million yen)
Current liabilities:	560,411
Short-term borrowings	170,297
Current portion of bonds	30,000
Current portion of long-term debt	32,300
Current portion of long-term payables for acquisition of railway properties	30,647
Other accounts payable	145,767
Accrued expenses	18,547
Accrued consumption taxes	5,157
Accrued income taxes	23,995
Railway deposits received	2,000
Deposits	21,063
Prepaid railway fares received	38,391
Advances received	13,308
Prepaid income received	942
Allowance for bonuses	27,102
Allowance for point program	637
Others	252
Long-term liabilities:	1,273,386
Bonds	464,979
Long-term debt	330,262
Long-term payables for acquisition of railway properties	107,472
Retirement allowances for employees	341,413
Allowance for environment and safety measures	21,099
Others	8,159
TOTAL LIABILITIES	1,833,797
NET ASSETS	
Shareholders' equity:	663,369
Common stock	100,000
Capital surplus	55,000
Capital reserve	55,000
Retained earnings	508,373
Retained earnings reserve	11,327
Other retained earnings	497,045
Reserve for advanced depreciation of fixed assets	25,269
General reserve	360,000
Retained earnings carried forward	111,775
Treasury stock	(3)
Valuation and translation adjustments:	2,696
Evaluation difference on other securities	2,696
TOTAL NET ASSETS	666,066
TOTAL LIABILITIES AND NET ASSETS	2,499,863

(Note) Figures are indicated by discarding fractions of one million yen.

STATEMENT OF INCOME

(From April 1, 2015 to March 31, 2016)

(million yen)

Railway operations		
Operating revenues	928,184	
Operating expenses	803,967	
Operating income		124,217
Related businesses		
Operating revenues	26,043	
Operating expenses	13,047	
Operating income		12,996
Operating income		137,213
Non-operating income		
Interest and dividend income	1,519	
Others	4,823	6,343
Non-operating expenses		
Interest expenses and bond interest	24,187	
Others	2,635	26,823
Recurring profit		116,733
Extraordinary profits		
Proceeds from construction contract	14,487	
Expropriation compensation	727	
Gain on sales of fixed assets	1,845	
Insurance income	2,000	
Others	490	19,551
Extraordinary expenses		
Loss on reduction entry of proceeds from construction	14,160	
Loss on reduction entry of expropriation	727	
Provision for environment and safety measures	12,939	
Others	7,270	35,098
Income before income tax		101,185
Corporation, inhabitant and enterprise taxes	35,968	
Income taxes - deferred	4,093	40,062
Net income		61,123

(Note) Figures are indicated by discarding fractions of one million yen.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, ETC.

(From April 1, 2015 to March 31, 2016)

(million yen)

	Shareholders' equity									Valuation and translation adjustments	
		Capital surplus	Retained earnings								
				Other retained earnings							
	Common stock	Capital reserve	Retained earnings reserve	Reserve for advanced depreciation of fixed assets	General reserve	Retained earnings carried forward	Total retained earnings	Treasury stock	Total shareholders' equity	Evaluation difference on other securities	Total net assets
Balance as of April 1, 2015	100,000	55,000	11,327	24,949	360,000	76,158	472,435	(2)	627,432	4,152	631,584
Changes during the year:											
Distribution of surplus						(25,185)	(25,185)		(25,185)		(25,185)
Net income						61,123	61,123		61,123		61,123
Transfer to reserve for advanced depreciation of fixed assets				1,480		(1,480)	-		-		-
Reversal of reserve for advanced depreciation of fixed assets				(1,159)		1,159	-		-		-
Purchase of treasury stock								(0)	(0)		(0)
Changes in items other than shareholders' equity during the year (net)										(1,455)	(1,455)
Total changes during the year	-	-	-	320	-	35,617	35,938	(0)	35,937	(1,455)	34,481
Balance as of March 31, 2016	100,000	55,000	11,327	25,269	360,000	111,775	508,373	(3)	663,369	2,696	666,066

(Note) Figures are indicated by discarding fractions of one million yen.

Copy of Account Auditors' Audit Report Relating to Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

May 10, 2016

The Board of Directors
West Japan Railway Company

Ernst & Young ShinNihon LLC

Kenji Nishihara (seal)
Designated and Limited Engagement Partner
Certified Public Accountant

Yutaka Matsumura (seal)
Designated and Limited Engagement Partner
Certified Public Accountant

Naoya Nishino (seal)
Designated and Limited Engagement Partner
Certified Public Accountant

We have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, etc. and the notes to consolidated financial statements of West Japan Railway Company (the "Company"), applicable to its consolidated fiscal year from April 1, 2015 to March 31, 2016 pursuant to Article 444, paragraph 4 of the Companies Act of Japan.

Management's Responsibility for Consolidated Financial Statements

The responsibility of the Company's management is to prepare and present properly these consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan. This includes maintaining and improving internal control considered necessary by management to prepare and present properly these consolidated financial statements free of material misstatement by fraud or error.

Account Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements from an independent standpoint, based on our audit conducted. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require us to formulate an audit plan and conduct an audit based thereon to obtain reasonable assurance about whether these consolidated financial statements are free of material misstatement.

In an audit, procedures are taken to obtain audit evidence as to the amount in consolidated financial statements and disclosure thereof. Audit procedures, on our own

judgment, are selected and applied based on our risk assessment of material misstatement in the consolidated financial statements by fraud or error. An audit is not contemplated to express an opinion on the effectiveness of internal control. However, in assessing risk, we assess internal control related to the preparation and proper presentation of these consolidated financial statements to form a plan for adequate audit procedures according to conditions. An audit also includes assessing the accounting policies and methods of application thereof employed by management and estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

We believe that our audit provides sufficient and appropriate audit evidence forming a basis for our opinion.

Account Auditors' Opinion

We are of the opinion that the above consolidated financial statements present properly the financial position and profit and loss of the corporate group comprised of West Japan Railway Company and its consolidated subsidiaries for the period related to the consolidated financial statements in all material respects in conformity with the corporate accounting standards generally accepted in Japan.

Matter for Emphasis

As described in the notes (Other notes), the Company has obtained approval for its allowance reserve plan for the large-scale renovation of Shinkansen infrastructure based on the Nationwide Shinkansen Railway Development Act of Japan and will recognize such allowance from the fiscal year ending March 31, 2017.

It has no effect on our opinion.

Financial Interest

We have no financial interest in the Company which is required to be disclosed under the provisions of the Certified Public Accountant Act of Japan.

- END –

Copy of Account Auditors' Audit Report

INDEPENDENT AUDITORS' REPORT

May 10, 2016

The Board of Directors
West Japan Railway Company

Ernst & Young ShinNihon LLC

Kenji Nishihara (seal)
Designated and Limited Engagement Partner
Certified Public Accountant

Yutaka Matsumura (seal)
Designated and Limited Engagement Partner
Certified Public Accountant

Naoya Nishino (seal)
Designated and Limited Engagement Partner
Certified Public Accountant

We have audited the balance sheet, the statement of income, the statement of changes in shareholders' equity, etc. and the notes to non-consolidated financial statements, and the supplementary financial schedules of West Japan Railway Company (the "Company"), applicable to its 29th fiscal year from April 1, 2015 to March 31, 2016 pursuant to Article 436, paragraph 2, item 1 of the Companies Act of Japan.

Management's Responsibility for Financial Statements, etc.

The responsibility of the Company's management is to prepare and present properly these financial statements and the supplementary financial schedules in accordance with corporate accounting standards generally accepted in Japan. This includes maintaining and improving internal control considered necessary by management to prepare and present properly these financial statements and the supplementary financial schedules free of material misstatement by fraud or error.

Account Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements and the supplementary financial schedules from an independent standpoint, based on our audit conducted. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require us to formulate an audit plan and conduct an audit based thereon to obtain reasonable assurance about whether these financial statements and the supplementary financial schedules are free of material misstatement.

In an audit, procedures are taken to obtain audit evidence as to the amount in financial statements and supplementary financial schedules and disclosure thereof. Audit procedures, on our own judgment, are selected and applied based on our risk assessment of

material misstatement in the financial statements and the supplementary financial schedules by fraud or error. An audit is not contemplated to express an opinion on the effectiveness of internal control. However, in assessing risk, we assess internal control related to the preparation and proper presentation of these financial statements and the supplementary financial schedules to form a plan for adequate audit procedures according to conditions. An audit also includes assessing the accounting policies and methods of application thereof employed by management and estimates made by management, as well as evaluating the overall presentation of these financial statements and the supplementary financial schedules.

We believe that our audit provides sufficient and appropriate audit evidence forming a basis for our opinion.

Account Auditors' Opinion

We are of the opinion that the above financial statements and the supplementary financial schedules present properly the financial position and profit and loss for the period related to the financial statements and the supplementary financial schedules in all material respects in conformity with the corporate accounting standards generally accepted in Japan.

Matter for Emphasis

As described in the notes (Other notes), the Company has obtained approval for its allowance reserve plan for the large-scale renovation of Shinkansen infrastructure based on the Nationwide Shinkansen Railway Development Act of Japan and will recognize such allowance from the fiscal year ending March 31, 2017.

It has no effect on our opinion.

Financial Interest

We have no financial interest in the Company which is required to be disclosed under the provisions of the Certified Public Accountant Act of Japan.

- END -

Copy of Audit Report of the Board of Corporate Auditors

AUDITORS' REPORT

We, the Board of Corporate Auditors of the Company, based on the audit report prepared by each Corporate Auditor on the performance by the Directors of their duties during the 29th fiscal year from April 1, 2015 to March 31, 2016, prepared this audit report upon deliberation and hereby report as follows:

1. Method of Audit by the Corporate Auditors and the Board of Corporate Auditors and the Particulars thereof:

(1) The Board of Corporate Auditors determined the audit policy, audit plans, etc. and received from each Corporate Auditor reports on the state of his performance of audits and the results thereof. We also received from the Directors, the account auditors, etc., reports on the state of performance of their duties and demanded their explanations whenever necessary.

(2) The Corporate Auditors, pursuant to the rules of audits by Corporate Auditors determined by the Board of Corporate Auditors and in accordance with the audit policy, audit plans, etc., maintained constant communication with the Directors, internal audit divisions and other employees, etc. in an effort to collect information and improve the environment for auditing, and conducted audits in accordance with the following methods:

(i) We attended meetings of the Board of Directors and other important meetings, received from the Directors and employees, etc., reports on the state of performance of their duties, demanded their explanations whenever necessary, inspected important decision documents, etc., and made investigation into the state of activities and property at the head office and principal business offices of the Company.

With regard to its subsidiaries, we maintained constant communication and exchanged information with the directors, corporate auditors, etc. thereof and required the subsidiaries to render reports on their business operations and made investigation into the state of their activities and property whenever necessary.

(ii) With regard to the details of the resolutions of the Board of Directors for establishing such systems to secure that the performance by the Directors of their duties will comply with laws or ordinances and the Articles of Incorporation as described in the business report and such other systems provided for in Article 100, paragraphs 1 and 3 of the Regulations to Enforce the Companies Act of Japan as necessary to secure the adequacy of business of the corporate group comprised of a joint-stock corporation and its subsidiaries, as well as the systems (internal control systems) established pursuant to such resolutions, we received from the Directors, internal audit divisions and other employees, etc., reports on the status of the establishment and operation of the systems and demanded their explanations whenever necessary.

(iii) We monitored and verified whether the Account Auditors had maintained an independent position and conducted adequate audits, and received from the Account Auditors reports on the state of performance of their duties and demanded their explanations whenever necessary. In addition, we received from the Account Auditors a notice that the "systems to secure adequate performance of duties" (as listed in the items of Article 131 of the Corporate Accounting Regulations) had been established in accordance with the "Standard for Quality Control Concerning Audits" (the Accounting Standards Board of Japan, October 28, 2005) and demanded their explanations whenever necessary.

In accordance with such methods, we investigated the business report and its supplementary schedules, the financial statements (the balance sheet, the statement of income, the statement of changes in shareholders' equity, etc. and the notes to non-consolidated financial statements) and the supplementary financial schedules, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, etc. and the notes to consolidated financial statements), for the fiscal year under review.

2. Results of Audit:

(1) Results of audit of the business report, etc.:

We are of the opinion:

(i) That the business report and its supplementary schedules fairly present the state of the Company in accordance with laws or ordinances and the Articles of Incorporation;

(ii) That in connection with the performance by the Directors of their duties, no dishonest act or material fact of violation of laws or ordinances or the Articles of Incorporation exists; and

(iii) That the details of the resolutions of the Board of Directors on internal control systems are proper and that the details of the descriptions in the business report and the performance by the Directors of their duties concerning such internal control systems contain nothing to be pointed out.

(2) Results of audit of the financial statements and the supplementary financial schedules:

We are of the opinion that the method and results of the audit made by the Account Auditors, Ernst & Young ShinNihon LLC, are proper.

(3) Results of audit of the consolidated financial statements:

We are of the opinion that the method and results of the audit made by the Account Auditors, Ernst & Young ShinNihon LLC, are proper.

May 16, 2016

The Board of Corporate Auditors
West Japan Railway Company

Yasutaka Kikuchi (seal)
Full-time Corporate Auditor

Mikiya Chishiro (seal)
Full-time Corporate Auditor
(External Corporate Auditor)

Yasumi Katsuki (seal)
External Corporate Auditor

Yoshinobu Tsutsui (seal)
External Corporate Auditor