(Translation)

April 30, 2010

West Japan Railway Company

Results for the year ended March 31, 2010
Q&A Summary at the conference held in Japan

Q Do you foresee future scope for structural cost reductions in areas that are not directly related to safety, including the operation of trains with fewer railcars?

A Although we are considering a wide range of cost reduction measures, we believe that operating trains with fewer railcars is an effective means of lowering costs since it reduces both rolling stock maintenance costs and energy costs. In the future, we will also consider reducing services that have low passenger usage rates.

Q How do you see your level of maintenance costs and miscellaneous costs?

A Although it is difficult to achieve large reductions in maintenance costs owing to the link between maintenance and safety, thanks to the concerted efforts of the entire company, in fiscal 2010 we were successful in reducing maintenance costs. Looking ahead, because we will see a high level of capital expenditure in fiscal 2011, we anticipate an increase in removal costs related to capital expenditure, which are included within maintenance costs. However, led by the Management Improvement Headquarters, through such innovations as the move to multiyear budgets, we will continue efforts to achieve rational reductions. With regard to miscellaneous costs, these are currently in a rising trend due to measures to replace personnel with systems. Although this makes control of costs difficult, we will not allow costs to rise unchecked and will make the utmost effort to keep such costs under control.

Q What is the outlook for depreciation?

A Depreciation is set to rise in fiscal 2012, ending March 31, 2012, owing to the high level of capital expenditures that we are carrying out in fiscal 2011. In fiscal 2013, ending March 31, 2013, we see depreciation declining, partially owing to the conclusion of an amortization of approximately ¥7 billion per year arising from a past system revision.

Q What scale of capital expenditures do you envisage after the completion of the two major projects? Also, what is your thinking with regard to the medium- to long-term target for ROE?

A In terms of capital expenditures, we have not changed the program as previously specified in the Medium-Term Management Plan of ¥980 billion over five years. Hence, in fiscal 2012 and fiscal 2013, we anticipate an average over the two years of approximately ¥160 billion per year in capital expenditures. This is a significant reduction compared with fiscal 2011. Regarding ROE, looking at our fiscal results up to and including fiscal 2010, it will be very hard to achieve the indices set out in the Medium-Term Management Plan. However, we wish to monitor the situation further because in future forecasts there are a large number of unpredictable variables at this time, including the economy's performance and the impact of changes to the expressway toll system.

Q In the Medium-Term Management Plan, you have set a target of 3% for consolidated dividend on equity (DOE). What is your view on the progress toward this goal?

A At this stage, we have not revised our target of consolidated DOE of 3% for fiscal 2013. Regarding the level of dividends until then, we will determine it each year based on our actual management performance.