

(Translation)

April 28, 2011

West Japan Railway Company

**Results for the year ended March 31, 2011**  
**Q&A Summary at the conference held in Japan**

**Q:** What is your forecast with regard to transportation revenues from Shinkansen in FY2012?

**A:** Travel in the direction of Tokyo area fell after the Great East Japan Earthquake. However, we believe that this travel will recover gradually from now. We formulated our forecasts of transportation revenues from Shinkansen based on the expectation of travel to and from Tokyo area recovering to its previous level by the end of this year. We project a ¥9.0 billion year-on-year decrease in the first half of the fiscal year, and a ¥4.5 billion increase in the second half. This will result in an overall decrease of ¥4.4 billion over the full year, with revenues equivalent to 98.6% of those seen in the previous fiscal year. This forecast takes into account factors such as the increased number of flights in and out of Haneda Airport due to the increased number of departure and arrival slots, as well as the effect that 2012 is a leap year.

**Q:** When you began offering direct services between the Sanyo and Kyushu Shinkansen Lines in the previous fiscal year, an increase in revenues of ¥800 million was seen over the twenty-day period immediately after the services began. However, in the current fiscal year, you are projecting these services to generate only ¥8.5 billion over the entire year. Calculated on a day-by-day basis, it would seem that the benefit of the direct services is declining. What are the reasons behind this?

**A:** We believe that the usage of the direct services immediately after they began was at an unusually high level. Therefore, we have adjusted our projections based on this fact.

**Q:** It has been calculated that the Great East Japan Earthquake will result in losses in operating revenues totaling ¥30.0 billion throughout the entire Group. Regardless though, the sales projections for the new Osaka department store during its first year of operation have not been adjusted from the initial projection of ¥55.0 billion. Why is this? Also, what effects do you think the earthquake will have on the travel and hotel businesses?

**A:** With regard to the Osaka department store, taking into account our subsidiary's perception of business environment, as well as the ambitious nature of this subsidiary, we decided that revisions to our projections were not necessary. The travel business, however, was heavily affected by the earthquake. In particular, inbound travel to Japan is not expected to recover any time in the near future. In the hotel business, while room vacancies are currently particularly high, we are not anticipating a particularly significant decline in business.

**Q:** The Revision of the JR-West Group's Medium-Term Management Plan 2008–2012 projects consolidated operating income of ¥95.5 billion during its final year, the fiscal year ending March 31, 2013. This will require an increase of ¥27.0 billion over the ¥68.5 billion projected for the current fiscal year. What factors are in place to boost income, and how much income do you expect them to raise?

**A:** The Great East Japan Earthquake is expected to result in approximately ¥20.0 billion decrease in transportation revenues. In the coming fiscal year, we anticipate that the bounce back from this will result in higher revenues. Further, the additional depreciation of 5% residual value, which is associated with the change in system of depreciation in the fiscal year ended March 31, 2008, and is about ¥6.0 billion per annum, will be fully depreciated during the current fiscal year. In this manner, depreciation will be at its peak during the current fiscal year, and will begin to taper off during the fiscal year ending March 31, 2013. Due to these factors, we believe that it is possible for us to achieve the consolidated operating income we have projected.