

(Translation)

November 1, 2012
West Japan Railway Company

Results for the First Half ended September 30, 2012
Q&A Summary at the conference held in Japan

Q1: Would you discuss the results in Shinkansen services in the first half of the year, and the outlook for those services in the second half?

A1: In the first half of the fiscal year, the effect of the rebound from the Great East Japan Earthquake abated, and there may have been a rebound from the positive impact of the strong results immediately after the opening of the Kyushu Shinkansen Line. Based on the year-on-year decline in revenues, we believe that underlying demand has weakened somewhat. In addition, Shinkansen usage slightly lags economic trends. Accordingly, the situation does not support an optimistic outlook for the second half.

Q2: How will the Company be affected by the operation of LCCs and increases in flights?

A2: At this point, we do not anticipate negative effects that will result in lower revenues. However, if the capacity of the LCCs increases in the future, it is possible that there will be an influence. Rather than competing on price, we will be focusing on leveraging the distinctive features of the Shinkansen services, such as high frequency, and we will draw attention to the competitive advantages of the Shinkansen versus LCCs, such as seat comfort.

Q3: Would you describe the Company's dividend policy in the next year and thereafter?

A3: With a basic approach of making stable dividend payments, we will determine our shareholder return with consideration for a balance among such factors as profits, capital expenditures, and long-term debt, as covered in the medium-term management plan. Accordingly, at this point we have not yet determined a specific dividend policy.

Q4: Would you discuss the Company's objectives in acquiring shares in The Kinki Sharyo Co., Ltd., and the future outlook?

A4: The objective of this share acquisition was to acquire the technologies of a train car manufacturer, as well as know-how in the field of train car production. We have already started technical tie-ups and personnel exchanges, and moving forward we will strive to ensure that this alliance contributes to railway operations. For example, in our operating area we are conducting operational tests of train cars powered by electric accumulators that were developed by Kinki Sharyo. The results of these tests will enable us to implement improvements.

Q5: Is there anything else that shows the Company's future potential or direction, even if the business environment worsens due to such factors as a decline in the population in the Company's service area?

A5: By striving to be a company with strong roots in the local communities it serves, and by working in cooperation with the people in each community, we will work to develop a concept of the optimal management structure for a railway company and to discover the "seeds of growth."