(Translation)

July 30, 2015
West Japan Railway Company

FY3/16 1Q Financial Results Briefing
Summary of Question and Answer Session

Q1
What were the reasons for the favorable results of the Sanyo Shinkansen in the first quarter?
A1
Sanyo Shinkansen transportation revenues were up 4.9% year on year. Usage was up approximately 6% year on year on both business days and holidays. Accordingly, our view is that business and tourism demand were both favorable. There was a rebound effect from the previous year, when usage declined after the consumption tax hike. In addition, another factor supporting business travel was that favorable business conditions extended to the Kansai and Chugoku regions. On the other hand, tourism travel was also supported by the depreciation of the yen and by the asset effect stemming from higher stock prices, which led to increases in domestic travelers and inbound visitors as well as higher demand from active seniors.

To capture these favorable external factors, for both business and tourism we took steps to expand the range of customers using our Internet reservation services, introduce the "Otonabi" membership service for persons 50 and older, which provides special discount tickets and travel packages, and enhance the lineup of products for inbound visitors, and we believe these initiatives were successful.

Q2
What were the results of the Hokuriku Shinkansen?
A2
Transportation revenues on the Hokuriku Shinkansen were supported by special opening demand and by the effect of the Zenkoji Temple Gokaicho event. In addition, aiming to maximize the opening effect, we devoted resources to the implementation of a variety of initiatives that generated results. As a result, transportation revenues exceeded the forecast and reached ¥11.6 billion. Travel between the Hokuriku region and the Tokyo metropolitan area was especially favorable, and usage on the Joetsu Myoko — Itoigawa segment was at 3.3 times the level in the previous year, which was prior to the opening.

Accompanying the separation of parallel conventional lines, revenues on other conventional lines declined by ¥3.9 billion, and the effect on revenues was +¥7.6 billion.

Q3
The forecast for full-year transportation revenues has been revised upward. What was the basis for this revision? Also, what is the forecast for revenues for the Hokuriku Shinkansen?
A3
In regard to non-consolidated transportation revenues, the basic trend in the first quarter was expected to continue through the second quarter, and we made an upward revision to the forecast for the first half. This was based on our view that the favorable conditions in the first quarter would continue through the first half due to the effects of our initiatives combined with the external factors, such as the depreciation of the yen, higher stock prices, and the shift in the destination of non-Japanese travelers to Japan due to the MERS outbreak in South Korea. On the other hand, we have not changed the forecast for the second half from the initial forecast. This is due to our view that inbound travel to South Korea will recover from the MERS issue. In addition, there is a possibility that there will be substantial change in the uncertain overseas situation, such as in China's economy. In addition, with the same thinking applying to transportation revenues on the Hokuriku Shinkansen, we made the revision based on the assumption that results in the second quarter would be about the same as in the first.

Q4
The forecast for non-consolidated operating expenses has increased by ¥5.0 billion. Is it possible that there will be further increases in expenses based on future revenue trends?
A4
To achieve favorable transportation revenues, we continue to implement marketing reinforcement initiatives in the Hokuriku area in order to sustain results on the Hokuriku Shinkansen, where these initiatives were successful in the first quarter. We are also steadily implementing safety/stability measures on the neighboring lines that support increased usage on the Hokuriku Shinkansen. For these reasons, we increased the forecast for non-consolidated full-year operating expenses by ¥5.0 billion.

In the future, if revenues increase more than expected, it is possible that there will be additional increases in expenses to ensure further gains in revenues, but at this point we cannot say anything about the specific details.

Q5
The West Wing of the OSAKA STATION CITY North Gate Building has been converted from department store to shopping center. What level of effect will this have on operating income for this period? Also, what are the results for LUCUA osaka, which includes the East Wing and West Wing of the North Gate Building?
A5
The majority of improvement in profits in the retail business and in the real estate business

resulted from the renovation of the West Wing of the North Gate Building.

In regard to LUCUA osaka, tenant sales in the first quarter were solid, and the number of visitors has improved dramatically. We believe that favorable effects are emerging from the integrated management of the East Wing and West Wing. However, with a little time having passed since the opening, strengths and weaknesses among the sales areas are emerging, and we have begun to implement a variety of adjustment initiatives. We do not believe that it will be easy to succeed in Umeda, where the competition is intense, and we think that we will need to continue to make a variety of efforts to achieve the initial goal for annual tenant sales of ¥77.0 billion.

Q6

What were the inbound results in the first quarter?

A6

In regard to railways, unit sales of railway travel products for inbound visitors were up 70% year on year, substantially exceeding the targeted pace. In addition to Kansai, substantial growth was recorded in the use of products for each region in Western Japan, and trends are in line with the Company’s goals. In addition, the targeted pace is being exceeded in the amount of duty-free sales at department stores and in the amount spent on lodging by non-Japanese customers at hotels. Overall, the Group is recording favorable results.

Q7

In consideration of the favorable results, it is possible that operating cash flow will exceed the estimated figure. In that event, how will the Company utilize it?

A7

The extra operating cash flow, in accordance with the cash earmarking and prioritization that we have disclosed, will be allocated in the following order: first, investment for safety and growth, followed by shareholder return, and finally debt reduction.

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