

(Translation)

September 16, 2020

West Japan Railway Company

Briefing for the Results Forecasts for the Fiscal Year Ending March 31, 2021

Summary of Question and Answer Session

Q1

What is the outlook for transportation revenues for the Sanyo Shinkansen and the Hokuriku Shinkansen?

A1

The full-year forecasts for FY2021.3 are for a decrease of ¥244.7 billion year on year in Sanyo Shinkansen revenues, to ¥157.0 billion, and a decrease of ¥26.5 billion year on year in Hokuriku Shinkansen revenues, to ¥13.0 billion. In addition to the coronavirus, the forecasts also include rebounds upward and downward from the special factors in the previous year, such as the 10-day Golden Week holiday and typhoon number 19.

Q2

Would you discuss the basis for the annual dividends of ¥100 per share, and the Company's approach to dividends in the event that results for the year are higher or lower than the forecasts?

A2

For the full fiscal year, we are anticipating the largest net loss since the Company was established. However, with consideration for our policy of placing importance on a stable shareholder return over the long term, and incorporating a strong intention to improve results in the next fiscal year and thereafter, we announced annual dividends of ¥100 per share. On the other hand, even supposing that our results exceed the forecast, the payment of dividends greater than ¥100 per share will not be possible due to the significant increase in our debt and the adverse effect on our balance sheet. Conversely, if our results are below the forecast, our financial condition will be more severe, but basically we will want to maintain dividends of ¥100 per share, and we will take into consideration a reversal from the general reserve.

Q3

What are the Company's thoughts about dividends in the next fiscal year and thereafter?

A3

In consideration of the current circumstances, we are reevaluating the medium-term management plan. In regard to returns in the next fiscal year and thereafter, we would like to ask you to wait until we announce our revision of the medium-term management plan. However, shareholder return is an important management policy, and we will aim to provide stable returns over the long term.

Q4

Looking at the cost reductions that are currently being implemented, are they temporary measures, such as the postponement of initiatives, or are they measures that will be continued in the future?

A4

The cost reductions in the current year include certain special factors, such as the reduction of service and the implementation of temporary leave for employees accompanying the declaration of a state of emergency. As a result of these special factors, it is possible that there will be an upward rebound from the next fiscal year. We will continue to implement possible reduction measures while maintaining safety, and at the same time we will advance medium to long term cost structure reforms.

End