

(Translation)

To All concerned Parties

Company name: West Japan Railway Company
 President: Kazuaki Hasegawa
 Code number: 9021
 Stock listing: Tokyo Stock Exchange Prime Market
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Notice Regarding Disposal of Treasury Stock as Restricted Stock Remuneration

West Japan Railway Company (hereinafter, “the Company”), at a meeting of the Board of Directors held today, resolved to conduct a disposal of treasury stock (hereinafter, “the Disposal of Treasury Stock” or “the Disposal”). The details are as follows.

1. Overview of the Disposal

(1) Disposal date	July 19, 2022
(2) Class and number of shares subject to the Disposal	14,151 shares of common stock of the Company
(3) Disposal price	¥4,889 per share
(4) (4) Total value of the Disposal	¥69,184,239
(5) Recipients of disposed shares, number of recipients, and number of shares to be disposed of	<p>Directors (excluding Directors who are members of the Audit & Supervisory Committee and External Directors) 8 people 5,520 shares</p> <p>Executive Officers 4 people 1,080 shares</p> <p>Group Executive Officers 4 people 2,006 shares</p> <p>Administrative Officers 24 people 4,919 shares</p> <p>Technical Officers 3 people 626 shares</p>
(6) Other	In regard to the Disposal of Treasury Stock, the Company has submitted the Securities Registration Statement in accordance with the Financial Instruments and Exchange Act.

2. Purpose of and Reasons for the Disposal

At a meeting of the Board of Directors held on April 28, 2022, the Company resolved to introduce a restricted stock remuneration plan (hereinafter, “the Plan”) as a new remuneration system for the Company’s Directors (excluding Directors who are members of the Audit & Supervisory Committee and External Directors) (hereinafter, “the Eligible Directors”), as well as for Executive Officers, Group Executive Officers, Administrative Officers, and Technical

Officers (hereinafter, together with the Eligible Directors, collectively referred to as “the Eligible Directors, etc.”). The purpose of the Plan is to provide an incentive to work toward sustainable growth in the Company’s corporate value and to promote further shared value with the Company’s shareholders. In addition, at the 35th Ordinary General Meeting of Shareholders held today, it was approved that, in accordance with the Plan, monetary claims up to the amount of ¥75 million per year will be paid to the Eligible Directors as remuneration to be used as contribution-in-kind assets for the acquisition of restricted shares (hereinafter, “Restricted Stock Remuneration”), and that up to 20,000 shares per year of the Company’s common stock would be issued or disposed of. It was also approved that, in accordance with agreements for the allocation of restricted shares entered into by the Company and the Eligible Directors, the transfer-restriction period for the restricted shares would be the period from the day when the Company’s common stock was allotted to the point immediately after the resignation or retirement from the position of Director of the Company or any other positions determined by the Company’s Board of Directors.

An overview of the Plan, etc., is as follows.

Overview of the Plan, etc.

The Eligible Directors, etc., will pay-in all of the monetary claims provided by the Company under the Plan as contribution-in-kind assets, and in return will receive shares of the Company’s common stock that will be issued or disposed of by the Company. The amount to be paid-in per share will be decided by the Board of Directors based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day prior to the date of each Board of Directors’ resolution. (In the event that no transactions were completed on that date, then the decision will be based on the closing price on the most recent trading day prior to that date.) The Board of Directors will decide the amount within a range that is not especially advantageous to the Eligible Directors, etc., who will take up the common stock. The specific timing and allocation of payments to each of the Eligible Directors, etc., will be decided by the Board of Directors following inquiries to the Personnel and Remuneration Advisory Committee.

Moreover, a condition for the issuance or disposal of the Company’s common stock under the Plan (hereinafter, “the Shares”) is that the Company and the Eligible Directors, etc., will enter into agreements for the allocation of restricted shares, which will include the following terms.

- (1) During the period from the date of delivery of the Shares to the date of resignation or retirement from the position of Director of the Company or any other positions determined by the Company’s Board of Directors, the Shares cannot be transferred to a third party, used as collateral, or otherwise disposed of.
- (2) In certain circumstances, the Company may acquire the Shares at no cost.

On this occasion, following inquiries made to the Personnel and Remuneration Advisory Committee, with consideration for the purpose of the Plan, the Company’s business performance, the management-related responsibilities of each of the Eligible Directors, etc., and various circumstances, the Company decided to grant a total amount of ¥69,184,239 in monetary claims (hereinafter, “the Monetary Claims”) and to allot 14,151 shares of the common stock of the Company.

For the Disposal of Treasury Stock, in accordance with the Plan, the 43 Eligible Directors,

etc., who are the planned recipients, will pay-in to the Company all of the monetary claims as contribution-in-kind assets, and in return will receive shares of the Company's common stock (hereinafter, "the Allotted Shares") that will be disposed of by the Company. In regard to the Disposal of Treasury Stock, the Company and the Eligible Directors, etc., will conclude Restricted Stock Allotment Agreements (hereinafter "the Allotment Agreements") which include the details mentioned in "3. Overview of the Allotment Agreements."

3. Overview of the Allotment Agreements

(1) Transfer Restriction Period

During the period from the date the Shares are allotted under the Allotment Agreement to the date of resignation or retirement from the position of Director of the Company or any other positions determined by the Company's Board of Directors (hereinafter, "the Transfer-Restriction Period"), the Allotted Shares cannot be transferred to a third party, used as collateral, or otherwise disposed of by the Eligible Directors, etc. (hereinafter, "the Transfer Restrictions").

(2) Treatment in Cases of Retirement or Resignation

In the event of the resignation or retirement of an Eligible Director, etc., from the position of Director of the Company or any other positions determined by the Company's Board of Directors before the expiration of a period as determined in advance by the Company's Board of Directors (hereinafter, "the Service Provision Period"), then the Company will, by rights, acquire the Allotted Shares without compensation immediately upon the resignation or retirement, except in the case that there is a reason that the Company's Board of Directors deems reasonable.

(3) Lifting of the Transfer Restrictions

The Company will lift the Transfer Restrictions on all Allotted Shares when the Transfer Restriction Period expires, provided that the Eligible Director, etc., has been in the position of Director of the Company or any other positions determined by the Company's Board of Directors continuously for the Service Provision Period. However, the number of the Allotted Shares to be released from the Transfer Restrictions and the timing of the release of the Transfer Restrictions shall be reasonably adjusted as necessary in the event that either: (i) an Eligible Director, etc., resigns or retires from the position of Director of the Company or any other positions determined by the Company's Board of Directors for any reason deemed justifiable by the Board of Directors of the Company before the expiration of the Service Provision Period; or (ii) an Eligible Director, etc., resigns or retires from the position of Director of the Company or any other positions determined by the Company's Board of Directors for any reason other than those deemed justifiable by the Company's Board of Directors before the expiration of the Transfer-Restriction Period, even after the expiration of the Service Provision Period.

(4) Handling in the Case of Reorganization, etc.

Notwithstanding the provision in (1) above, if a merger agreement in which the Company becomes the disappearing company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary of another company, or any other matters related to reorganization, etc., is approved at a General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if the approval of the General Meeting of Shareholders is not required for the relevant reorganization, etc.) during the Transfer-Restriction Period, the Company will, prior to the effective date of the reorganization, etc., lift

Transfer Restrictions on a number of Allotted Shares determined in a reasonable manner by resolution of the Board of Directors of the Company based on the period from the date of commencement of the Transfer-Restriction Period until the date of approval of the reorganization, etc.

(5) Acquisition by the Company Without Compensation

In the event that an Eligible Director, etc., commits a violation of law during the Transfer Restriction Period, or in the event that circumstances during the Transfer Restriction Period correspond to certain reasons specified in the Allotment Agreement, then the Company will acquire without consideration, by rights, all of the Allotted Shares held at that point by the Eligible Director, etc. In addition, the Company will acquire without compensation, by rights, Allotted Shares for which Transfer Restrictions have not been lifted at the end of the Transfer-Restriction Period or at the point of lifting of the Transfer Restrictions pursuant to (3) or (4) above.

(6) Management of Shares

During the Transfer-Restriction Period, plans call for the Allotted Shares to be managed in dedicated accounts opened by the Eligible Directors, etc., at Nomura Securities Co., Ltd., so that the Eligible Directors, etc., cannot transfer, use as collateral, or otherwise dispose of the Allotted Shares during the Transfer-Restriction Period. To secure the effectiveness of the Transfer Restrictions, etc., related to the Allotted Shares, the Company has concluded a contract with Nomura Securities Co., Ltd., for the management of the accounts for Allotted Shares held by each of the Eligible Directors, etc. In addition, the Eligible Directors, etc., have agreed to the details of the management of these accounts.

4. Basis of Calculating the Amount to be Paid-in and Other Specific Details

The disposal of treasury stock for the Eligible Directors, etc., will be funded by the monetary claims provided as Restricted Stock Remuneration for the Company's 36th fiscal year, in accordance with the Plan. In order to eliminate arbitrariness in the pricing, the Disposal price has been set at ¥4,889, which is the closing price of shares of the Company's common stock on the Tokyo Stock Exchange Prime Market on June 22, 2022 (the business day before the date of the Board of Directors resolution). This is the market price of the shares on the business day before the date of the Board of Directors resolution, and the Company believes that it is reasonable and is not a particularly favorable price.

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