JR-WEST GROUP INTEGRATED REPORT 2025

Our report on value creation

Connect more. Spring into the future.

JR-West Group Integrated Report 2025

West Japan Railway Company
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Come on a journey of connections and
write a new chapter in your own personal story.

Embrace your freedom, discover the unexpected,
and enjoy a new level of comfort.

Feel safe and secure wherever you are,
doing things your own way.
Explore interactions, make new discoveries,
and share a smile along the way.

By enhancing connections and lifestyles,
we aim to forge a future that stirs the heart.

Connect more. Spring into the future.

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Editorial policy

This report is published to provide information about JR-West Group's various initiatives and the value they bring, and to communicate with our wide range of stakeholders. In addition to introducing our initiatives for each material issue, this year's report aims to clarify the kind of corporate group we aim to be and tell the value-creation stories behind achieving this.

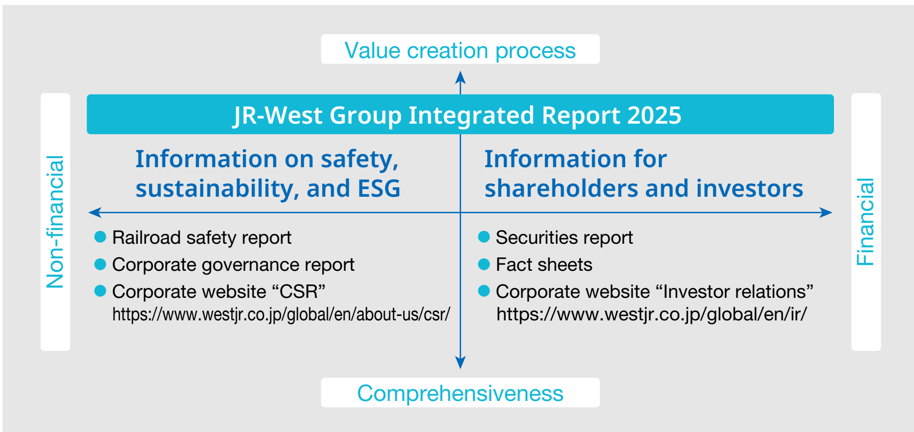
The information provided herein focuses on those areas we particularly wish to highlight. For further details of our initiatives, please refer to the relevant pages of our website.

System of information disclosure

Applicable period
In principle, April 2024 to March 2025

Main reference guidelines
- Integrated Reporting Framework (Value Reporting Foundation [VRF])
- Guidance for Collaborative Value Creation 2.0 (Ministry of Economy, Trade and Industry [METI], Japan)

Scope
In principle, JR-West Group (including some initiatives at the non-consolidated level)



Cautionary disclaimer regarding forecasts

This report contains forward-looking statements that are based on the JR-West Group's current plans, assumptions, estimates, and projections about its business, industry, and capital markets around the world.

Pronouncements related to these forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements use future-oriented terminology such as "may," "will," "expect," "anticipate," "estimate," "plan," or similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of the JR-West Group's financial condition, or state other forward-looking information.

Known or unknown risks, uncertainties, and other factors could cause the actual results to differ materially from those contained in any forward-looking statements. The JR-West Group cannot promise that the expectations expressed in these forward-looking statements will turn out to be correct. The JR-West Group's actual results could be materially different from and worse than expectations. Important risks and factors that could cause actual results to be materially different from expectations include, but are not limited to:

- Expenses, liability, loss of revenue, or adverse publicity associated with property or casualty losses;
- Economic downturn, deflation, and population decreases;
- Adverse changes in laws, regulations, and government policies in Japan;
- Service improvements, price reductions, and other strategies undertaken by competitors such as other passenger railway and airline companies;
- Outbreaks and epidemics of infectious diseases;
- Earthquake and other natural disaster risks; and failure of computer telecommunications systems disrupting railway or other operations.

All forward-looking statements in this report are made based on information available to the JR-West Group as of October 31, 2025, and the JR-West Group does not undertake to update or revise any of its forward-looking statements or reflect future events or circumstances.

JR-West Group's Purpose

Under the firm determination to ensure that we will never again allow an accident such as that on the Fukuchiyama Line to occur, the JR-West Group has provided a sincere response to the victims of the train accident and taken measures to enhance safety. It has also made efforts to contribute to the creation of a safe and comfortable society.

As a company that plays a role in social infrastructure, we will face the future challenges of society, which is undergoing a major transition, and provide the required value through our business activities in order to continue to play this role in the future.

In particular, when we focus on the issues faced by each person's life, community, and society as a whole, the JR-West Group, which has many customer contact points and regional connections, can play a greater role by evolving connections from the customer's perspective more than ever before. We believe that this is the significance of our existence in the future society.

With this in mind, we will work with "Our Purpose" as our aim and our compass for the entire JR-West Group.

Going forward, we will continue to build on our continuous efforts to improve railway safety, and through co-creation and innovation with various partners, as a company that coexists with communities, the JR-West Group will work together to solve social and regional problems through its business and contribute to the creation of a better future by creating both social and economic value.

Our Purpose

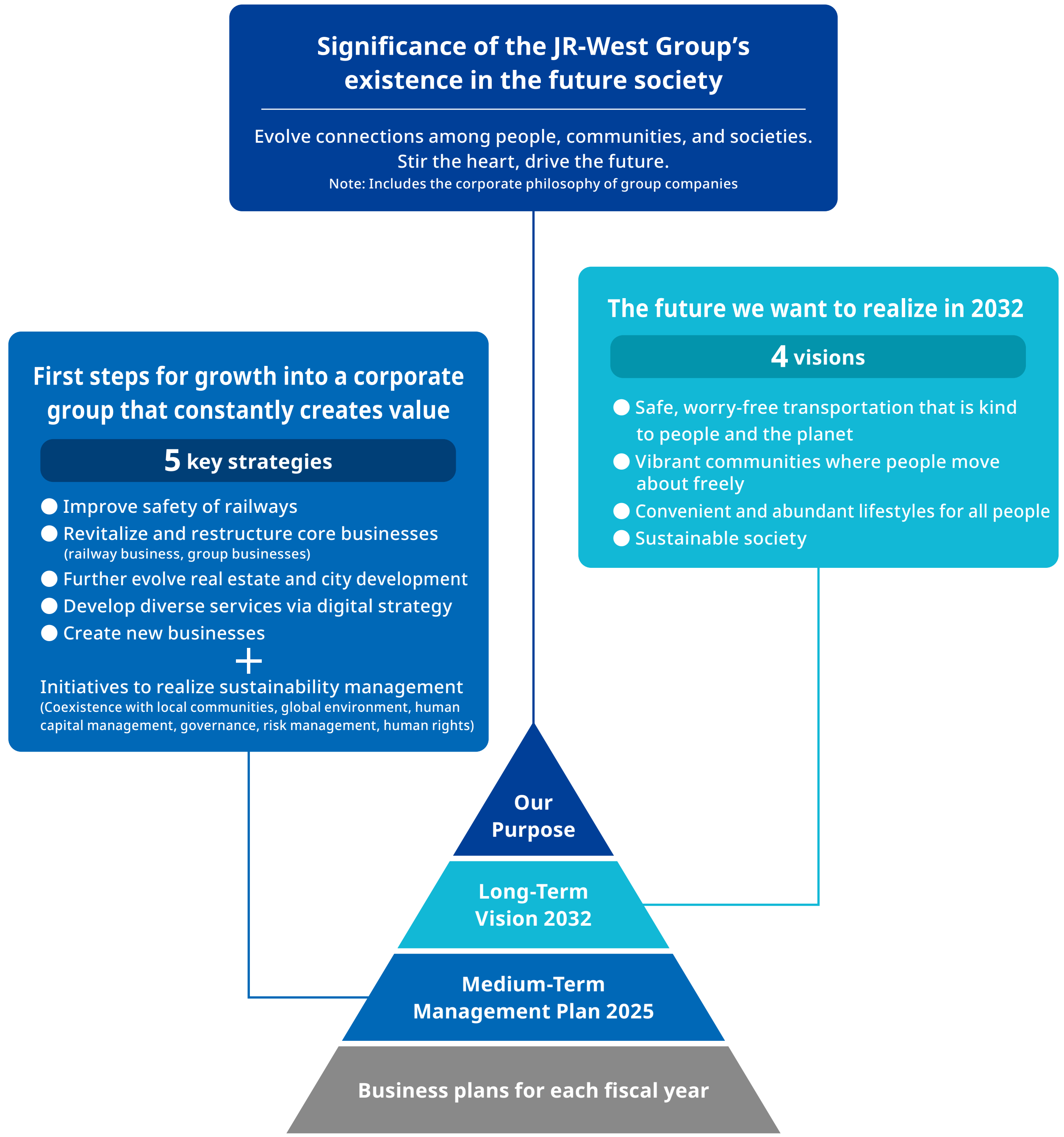
Evolve connections among people, communities, and societies. Stir the heart, drive the future.

We continuously work to enhance safety and security.
While connecting people to people, people to communities, and people to society in the real and digital worlds, we strive to solve regional issues, starting in western Japan.
With the aim of creating a sustainable and vibrant future, we cooperate with our various partners to realize the lifestyles desired by all people.

	Customers	Communities and society	Partners	Shareholders	Coworkers
Value provided to stakeholders	Convenient and abundant lifestyles with ideal services that all people can trust and rely upon for safety	A sustainable and vibrant future with attractive city development and solutions for local issues	Co-creation of new value through relationships and trust with various partners	Sustained improvement in corporate value and shareholder value	Workplaces where all employees are motivated and can utilize their skills to the utmost; work environments where employees pull together and create synergies

JR-West Group's Value Creation System

JR-West aims to evolve into a corporate group that continuously creates value in the future, in light of future society and issues and with Our Purpose as a compass to guide us.



Unchanging Determination

Ensuring that we will never again allow an accident such as that on the Fukuchiyama Line to occur

It is the responsibility of the JR-West Group to prevent accidents such as the derailment accident on the Fukuchiyama Line from ever occurring again. It is our unchanging determination. We will continue to engrave the Fukuchiyama Line derailment accident in our hearts for the future. We will fulfill our responsibility as a company entrusted with precious human lives by building a system that ensures safety throughout the organization and a culture that prioritizes safety, and by having each and every member of the JR-West Group continuously working to achieve safety.

JR-West Corporate Philosophy

In order to establish a corporate culture that places top priority on safety, and also prompted by the derailment accident on the Fukuchiyama Line, our Corporate Philosophy was enacted through deliberation by all of our employees examining the direction in which we would like to progress, the values that we hold dear, and similar concepts.

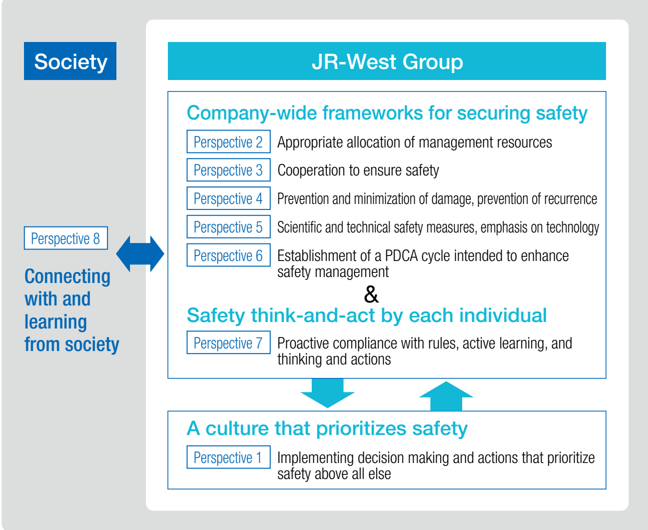
As stipulated in paragraph 1, we continue to pursue safety and make unremitting efforts to build railways that are safe and trusted by customers. We remain aware of our responsibility of being entrusted with customers' invaluable and precious lives, and will build up a track record of safety first.

JR-West Corporate Philosophy

1. We, being conscious of our responsibility for protecting the truly precious lives of our customers, and incessantly acting on the basis of safety first, will build a railway that assures our customers of its safety and reliability.
2. We, with a central focus on railway business, will fulfill the expectations of our customers, shareholders, employees, and their families by supporting the lifestyles of our customers, and achieving sustained growth into the future.
3. We, valuing interaction with customers, and considering our business from our customers' perspective, will provide comfortable services that satisfy our customers.
4. We, together with our Group companies, will consistently improve our service quality by enhancing technology and expertise through daily efforts and practices.
5. We, deepening mutual understanding and respecting each individual, will strive to create a company at which employees find job satisfaction and in which they take pride.
6. We, acting in a sincere and fair manner in compliance with the spirit of legal imperatives, and working to enhance corporate ethics, will seek to be a company trusted by communities and society.

Essential Perspectives in Achieving Safety

We will pass on the serious reflections and lessons of the derailment accident on the Fukuchiyama Line in the future, and will continue to make sincere and tireless efforts. In March 2021, we compiled essential perspectives in achieving safety as lessons from the Fukuchiyama Line derailment accident. Based on the essential perspectives in achieving safety, which is a compass for building safe railways in the future, we will regularly check the effectiveness of safety practices, the status of adequacy of initiatives, and the direction, and make improvements.



Safety Charter

We have revised the Safety Charter, a safety action guideline, in conjunction with the establishment of the Corporate Philosophy, so that each employee can take concrete actions based on the value of prioritizing safety in their daily lives. With a strong sense of mission, each employee will practice safety first considerations every day.

Safety Charter

We, ever mindful of the railway accident that occurred on April 25, 2005, conscious of our responsibility for protecting the truly precious lives of our customers, and based on the conviction that ensuring safety is our foremost mission, establish this Safety Charter.

1. Safety is ensured primarily through understanding and complying with rules and regulations, a strict execution of each individual's duty, and improvements in technology and expertise, and built up through ceaseless efforts.
2. The most important actions for ensuring safety are to execute basic motions, to rigorously enforce safety checks, and to implement flawless communication.
3. To ensure safety, we must make a concerted effort, irrespective of our organizational affiliation, rank, or assignment.
4. When uncertain about a decision, we must choose the most assuredly safe action.
5. Should an accident occur, our top priorities are to prevent concomitant accidents and to aid passengers.

Envisioning a sustainable and vibrant future for western Japan—Relying on "Our Purpose" as a compass guiding us in tackling the issues confronting society, stirring people's hearts, and driving the future towards our vision for tomorrow

Shoji Kurasaka
President and Representative Director
倉坂昇治

On assuming the position of president

The expectations for the JR-West Group are great, and I feel the weight of responsibility to meet them. Along with all of my colleagues in the Group who are working towards a shared vision for tomorrow, I seek to represent the will of all stakeholders in my pursuit of management.

Assuming the position of president and representative director has made me realize anew the weight of responsibility we bear as a company responsible for social infrastructure, centered on railways. For the JR-West Group, safety is the foundation of all our business. Through our ongoing efforts to improve safety, we are determined to fulfill our mission of ensuring that people can use our services with peace of mind, as we safeguard the foundations of society and the economy and contribute to their development.

The dialogue I have had with various stakeholders since taking office has impressed upon me the high expectations people have for the JR-West Group, such as in invigorating local communities and fostering the growth of non-resident populations. As social issues, such as population decline and intensifying natural disasters, become more pronounced, the Group, which provides infrastructure services and has points of contact with many customers and ties with local communities, will need to play an even greater role in the future.

The dialogue has also served as a reminder of the various organizational capabilities that the Group has cultivated through its business activities. In order to transform these capabilities into tangible forces that will drive the future, co-creation with various partners is key. Through co-creation, we will further expand our current business domains and tackle the challenges of addressing social issues. This is the spirit embodied in "Our Purpose," which I believe will stir people's hearts and drive the future. Both "co-creation" and "challenge" are keywords for the growth of the Group, which we will continue to emphasize moving forward.

In each business area, I have provided opportunities for dialogue with my colleagues—the employees, including those at group companies, who are the driving force in tackling the Group's challenges—to talk about their aspirations, their pride in their work, and their expectations for the future. I recognize that maintaining frank and honest communication is one of the roles of a leader. Through this two-way communication, I hope, as a fellow coworker in moving forward towards our vision for tomorrow, to fulfill my responsibilities in making and implementing accurate management decisions that represent the will of all stakeholders.

Moving forward, I will continue to ensure that railway safety is our foundation, value the aspirations and pride of employees, and, through the tackling of co-creation and challenges, work hard to meet the expectations of stakeholders.

Review of fiscal 2025

The start of Hokuriku Shinkansen service between Kanazawa and Tsuruga and the opening of development projects in Osaka and Hiroshima resulted in four consecutive periods of revenue and profit growth. It was a year of greater connection with the local community and society.

Fiscal 2025 was a year which saw us, in line with Our Purpose, update the JR-West Group Medium-Term Management Plan 2025 and accelerate our efforts to realize the Long-Term Vision 2032.

Improving railway safety is a top priority, and determined to never allow a tragedy like the Fukuchiyama Line derailment accident to occur, we are working to build a system that ensures safety throughout the organization, along with a culture that prioritizes safety. By steadily implementing safety measures that are based on an understanding of the actual situation, we have been able to prevent train accidents that result in customer casualties and train labor accidents that result in employee fatalities. Based on the JR-West Group Railway Safety Think-and-Act Plan 2027, we are steadily making progress in improving infrastructure, including safety measures for platforms and railway crossings and earthquake countermeasures. We have also focused on intangible people-oriented initiatives, such as pursuing management that prioritizes on-site decisions, promoting a mindset of putting customers first and meeting their expectations, and accumulating practical training.

Additionally, in both the mobility services and life design fields, many projects that the entire Group has been working on have now launched.

The start of Hokuriku Shinkansen service between Kanazawa and Tsuruga in March 2024 has generated new traffic and greater exchange in and outside the Hokuriku region, with 8.16 million passengers using the line in one year (between Kanazawa and Fukui).

In July 2024, Inogate Osaka and The Osaka Station Hotel opened in the west area of Osaka Station, and in March 2025, Umekita Green Place opened in the Umekita area. Each area is connected by a pedestrian deck, creating a new liveliness around Osaka Station, the largest terminal in western Japan.

Also, other developments, such as the opening of the new Hiroshima Station building, minamoa, in March 2025 and the start of Hiroshima Electric Railway operations on the second floor of the new station building in August, which makes it easier to transfer between JR and streetcars, have contributed to urban development. We believe that these efforts are attracting the interest of not only Hiroshima City but also neighboring municipalities, which see minamoa as a new hub for the region.

Through all of this, the entire Group has been able to further strengthen its connection with the local community and society. As for the Group's current performance, we have achieved increases in both revenue and profit for a fourth consecutive period by steadily capturing demand, including inbound tourism, through various measures. We feel confident that we are on track to achieve the goals of our medium-term management plan.

Expo 2025

After 55 years, the World Expo was once again held in Osaka. Our chief focus was on providing safe access, which is the primary mission of public transportation, and the entire JR-West Group worked to help enliven the Kansai region.

In 2025, Osaka was host to Expo 2025, marking 55 years since the last time the World Expo was held here. The event generated a great deal of excitement, with over 25 million people from Japan and overseas coming to visit.

As a public transportation company, our primary mission was to provide train and shuttle bus access to the Expo site. We were prepared for any situation and put into place a system that allowed us to respond quickly, such as by improving the Nishi-Kujo and Bentencho stations (where people transfer), operating direct trains from Shin-Osaka Station, and providing information at each station, in order to ensure that visitors could travel safely with peace of mind. With the cooperation of our partners and the thoughtful action of our employees, we were able to fulfill our role without incident, for which we are both truly grateful to everyone involved and feel relieved.

Additionally, it was a great asset for the entire Group to be involved in creating value for the future while deepening collaboration with various partners, such as by participating in the "Nest for Reborn" Osaka Healthcare Pavilion and by developing and selling unique JR-West souvenirs at our official store. On the last day, we held a closing event and I was able to express my gratitude to all the staff who helped make the Expo a success. I hope to use the experience the JR-West Group gained from welcoming visitors to the Expo and helping enliven and create excitement in the Kansai region to further the growth of the Group.

For me, the exhibits and events at the Expo were both novel and inspiring in many ways, as they exposed me to future-focused ideas and innovation from all over the world gathered together under the motto of "Designing future society for our lives." It made me feel that we have even more possibilities ahead of us and that we can make broader contributions. I am truly grateful for that.

Business environment and challenges

We are facing a variety of challenges in an increasingly severe business environment. This presents us not only with risks but with new opportunities as well.

Amidst the range of challenges confronting society, including accelerating population decline, rising prices and interest rates, intensifying natural disasters, and aging infrastructure, consumer preferences are also diversifying. Meanwhile, technological innovation, such as the rapid advancement of generative AI and its implementation in society, is leading to the emergence of new opportunities. The JR-West Group, which has a responsibility in supporting social infrastructure, is faced with an increasingly severe and complex business environment. While risks are certainly increasing, we believe that new opportunities can also be created by leveraging the organizational capabilities and various resources we have cultivated through the Group's businesses, such as railway operations.

For example, in the face of population decline, we believe that by leveraging local connections and railway networks, we can create new demand, such as through non-resident populations that remain involved in their areas, thereby fostering more vibrant communities. We are also working with major regional newspapers on the Furusato no Hikari Discovery Project, which aims to identify and highlight the charms of each region in western Japan. The Expo has also accelerated the trend toward digitalization and cashless transactions across Japanese society. Opportunities lie ahead as we leverage our strengths and work towards solutions for newly emerging social issues. We will pursue co-creation with a variety of partners to take on the challenge of addressing social issues.

Against this backdrop, we believe that improving corporate sustainability means achieving both social and economic value, and that this is the very essence of the Group's business, which aims to realize the Long-Term Vision based on Our Purpose.

We will incorporate this understanding into our next medium-term management plan, which we are currently discussing and which will begin in fiscal 2027. Looking further ahead, we are seeing progress on projects that will significantly change the Kansai region, such as the Osaka integrated resort and the opening of the new Naniwasuji Line. We will contribute to economic revitalization while preparing to make the most of this opportunity for the growth of the Group.

Outlook for the mobility services field

As the business environment becomes increasingly severe, we will continue to work towards the sustained evolution of railways, maintaining safety as our foundation.

There is no end to safety efforts, and our efforts to improve railway safety, which began with the Fukuchiyama Line derailment accident, will remain our most important business challenge. We will continue to steadily move forward with each measure outlined in our Railway Safety Think-and-Act Plan to build railways that people can reliably use again and again with peace of mind.

Even amidst an increasingly severe business environment, achieving the continuous evolution of railways remains an important challenge. We will utilize our railway network, centered on the Shinkansen, to foster non-resident populations and contribute to the development of local communities. In collaboration with a number of partners, we are developing a campaign called "Let curiosity move you," which proposes a new style of travel. In response to inbound demand, which is growing year by year, we are working with local partners to enhance the appeal of western Japan and attract visitors from a wide area, through such efforts as improving the system for accepting tourists and the Setouchi Palette Project.

Meanwhile, to address a declining workforce, we will work to improve productivity by leveraging technology. We will innovate our operations with flexible timetables based on demand forecasts and optimize vehicle operations using AI, and innovate maintenance methods with CBM (condition-based maintenance) and by introducing multifunctional railway heavy machinery. We have also begun tackling a range of other challenges, such as standardizing equipment and parts, hiring foreign nationals and developing human resources, and working together with other companies in the same industry to solve common issues.

With regard to the continuous evolution of railways, the future of local lines is also a major issue. Due to environmental changes, such as the development of road networks and the progress of road-centered urban development, railway usage is declining at a rate that exceeds the rate of population decline in some regions. The current situation is that railways are not fully utilizing their characteristics as mass transport. Based on visions for each region, we will explore and realize a sustainable and optimal transportation system that will lead to development together with local communities.

While the cost structure reforms we have been implementing since the COVID-19 pandemic have been effective, rising prices and interest rates are having a serious impact on our business. In order to balance growth with human capital investment aimed at securing talent across the supply chain and thereby continuously fulfill our mission as a public transportation provider, we recognize the need for a system that allows us to pass on cost increases to railway fares and fees in an appropriate and timely manner. We will continue to urge the government to deregulate.

Our values
President's message
Value creation process
Materiality
Corporate governance
Data

Outlook for the life design field

To be a corporate group that continues to grow, we will accelerate initiatives that leverage the JR-West Group's strengths.

In light of the business crisis caused by the pandemic, we recognize that expanding the life design field, a business area not necessarily linked to mobility, and building an optimal business portfolio are important issues for the continuous growth of the Group.

In the areas of real estate and city development, we will maximize the effects of large-scale projects in Osaka and Hiroshima, while also striving to achieve further growth by, for example, expanding highly liquid assets in the large Tokyo metropolitan area and making effective use of private funds and private REITs.

We are also working to address emerging social issues. In February 2024, we launched JCLaaS, a comprehensive infrastructure management business that is being advanced through a wide range of collaborations, including between ourselves and our partners in finance and digital transformation. In recent years, the aging of infrastructure like roads and water and sewerage systems has become a major social issue. The gravity of this issue is often brought up in discussions with local municipalities. By utilizing the diverse skills and know-how the Group possesses in the construction and maintenance of infrastructure, including railways, roads, and bridges, we hope to contribute in supporting the foundations of local communities by participating in a business that protects infrastructure.

Regarding our digital strategy, the strength of the Group is that we have abundant resources in both the physical and digital worlds. Five million customers use JR-West Group services every day, and because these services use a common ID, we can carry out marketing activities tailored to the needs of each individual. By leveraging this kind of strength, we will develop collaborations between the WESTER app, Mobile ICOCA, and Wesmo!, a code payment service that was launched this fiscal year.

The human resources that drive the JR-West Group

We want to create an environment where diverse employees can use their creativity and ingenuity as a powerful force to move us towards the future.

Human resources are the foundation of the JR-West Group's operations and the driving force behind our progress into the future. In a rapidly changing business environment, we must not only steadily deepen our existing businesses but also take on various challenges, such as building new business models, including in the digital realm.

Passion and ingenuity are important to take on new challenges, and we managers must not only demonstrate our own enthusiasm for challenge but also create an environment where each employee can thrive as they tackle new challenges. We will support our employees in taking on challenges, such as by improving our digital tool environment and revising various systems to allow employees to experience growth through their work. Furthermore, as our business domain expands, bringing together human resources with diverse values—regardless of things like gender, nationality, and employment status—to embody diversity will be at the foundation of our business activities.

If employees are not healthy and motivated, they will not be able to perform to their full ability. In order to promote work styles that suit individual lifestyles, as well as to create a workplace that can accommodate these, we have also undertaken office reforms that incorporate feedback from employees offered through voluntary workshops.

In our dialogue with employees, we make it known that, while resources may be limited, creativity has infinite possibilities. We want our diverse workforce to pool its wisdom and be creative in order to provide a powerful force that will move us towards the future.

Dialogue with employees

Addressing climate change and its impact on business

Climate change is becoming increasingly serious worldwide. By leveraging the characteristics of railways, an environmentally friendly mode of transportation, we will contribute to protecting the global environment.

The threat of climate change is increasing worldwide, producing major disasters and other problems. Even in Japan, this is affecting human activity, as seen during the extreme heat this summer.

Actions to protect the global environment are extremely important from the perspective of sustainability-focused management. We have formulated the JR-West Group Zero Carbon 2050 long-term environmental goals and have now set new medium-term targets for fiscal 2036 and fiscal 2041. We will continue to steadily advance our efforts toward carbon neutrality by fiscal 2051, including increasing the proportion of renewable energy used to power our railways.

Compared to other modes of transportation, railways emit extremely low amounts of CO_2, making them an environmentally friendly mode of transportation. If we can raise awareness among our customers about the environmentally friendly benefits of railways and thereby facilitate behavioral change, such as a shift from other modes of transportation, we believe we can make a significant contribution to protecting the global environment. Specific ways that we are working to change people's behavior include the introduction of GreenEX, a net-zero CO_2 service based on corporate contracts on the Tokaido, Sanyo, and Kyushu Shinkansen lines. We're also promoting the adoption of renewable energy in areas along railway lines through Kansai Machi We'll, a regional decarbonization consortium comprising railway operators and municipalities along railway lines.

In addition to achieving the Group's environmental goals, we will also contribute to the realization of a carbon-free society by leveraging the characteristics of railways.

Message to stakeholders

The JR-West Group will continue to work as one, taking on co-creation and challenges to drive the future.

When I envision the future of the JR-West Group, there is one phrase that always comes to mind. That is "Stir the heart, drive the future," which comes from Our Purpose. This "future" encompasses both the future of the Group and the future of the society and communities that we journey together with. I believe that this is where the significance of our existence is found.

Looking back over the past year, I believe that our various real-world and digital projects have strengthened our connections with people, communities, and society, and that these efforts have also led to improved business performance. As a result, we have been able to enhance our human capital, such as by improving employee benefits, and return profits to shareholders through dividends and share buybacks, as promised.

Our promise to society is that we will contribute to the creation of a sustainable and hopeful society where each of us can realize the way of life that we envision, relying on Our Purpose as a compass to guide us. We will continue to tackle co-creation and challenges in order to address the issues confronting society, stirring people's hearts, and driving the future towards our vision for tomorrow.

Value creation for realizing the Long-Term Vision

Value creation model of the JR-West Group

The following value creation model shows how the JR-West Group will continue to create value in the future based on Our Purpose, Long-Term Vision 2032, and Medium-Term Management Plan 2025.

The entire Group will work together to play a greater role in society as we steadily carry out each initiative of the value creation model and evolve connections among people, communities, and societies to stir the heart and drive the future, as stated in Our Purpose.

Business activities of the JR-West Group

The JR-West Group will give top priority to improving the safety of railways. It will work to implement structural reforms of both income and expenditure, improve the field of mobility services such as creation of mobility demand centered on the Shinkansen, and actively expand the field of life design to create value that is closely connected to customers' lives. In addition, we will further develop community and city development, maximize synergies through the Group's digital strategy, and create new businesses to realize our Long-Term Vision.

We will grow into a corporate group that realizes sustained value creation by recirculating as inputs "Enhancing peace of mind, reliability, and connections," "Enhancing networks and data that provides insight through increases in service touch points/traffic," and "Expanding innovation and enhancing employee motivation," which are generated by achieving social and economic value through these business activities.

Our Purpose | Evolve connections among people, communities, and societies. Stir the heart, drive the future.

Input

Distinctive types of capital / Distinctive capabilities

Financial capital
Cash generating capability, financial foundation soundness

Manufactured capital
Transportation network, city development bases, real estate
Diverse range of customer contact points, including ordinary and extraordinary

Intellectual capital
Technologies/systems for the safe, stable construction and operation of diverse infrastructure
Partnerships for the co-creation of innovation
Know-how regarding the preparation of social/commercial content

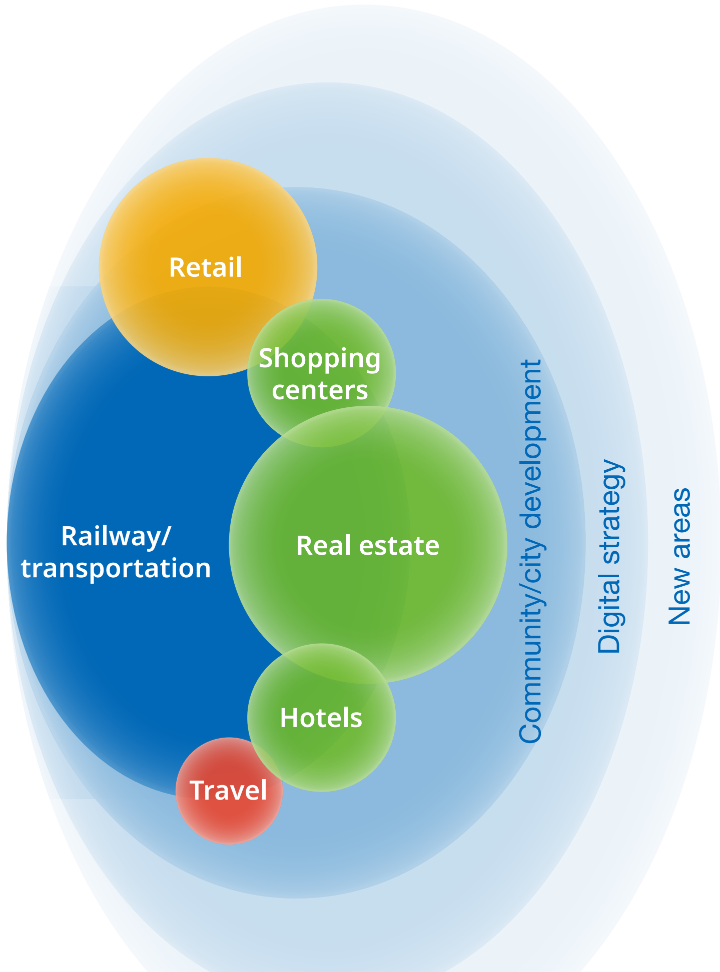
Human capital
Human resource diversity
Human resource development/nurturing (including data analysis capabilities)

Social capital
Connections with customers/regions

Natural capital
Nature/scenery/culture within our service areas

Distinctive capabilities:
- Continuing to earn the trust of customers/society and to work toward the realization of peace of mind
- Creating traffic flows of people, things, and information
- Optimally enhancing communities and society
- Identifying and enhancing regional value
- Providing solutions from abundant data

Business activities



Group efforts to achieve Medium-Term Management Plan 2025
Key strategies
1. Improve safety of railways
2. Revitalize and restructure core businesses (railway business, group businesses)
3. Further evolve real estate and city development
4. Develop diverse services via digital strategy
5. Create new businesses

Output

Financial targets p.21
- Consolidated operating income
- EBITDA
- Consolidated ROA
- Consolidated ROE
- Net interest-bearing debt/EBITDA
- Ratio of life design field to operating income

Non-financial targets p.33, p.66 pp.83–92
- CO_2 emissions
- Motivated workplace ratio
- Percentage of women in management positions
- Percentage of women in leadership positions
- Preparation rate of personnel to be next-generation senior management

Outcome

Realize Long-Term Vision through business activities

Materiality
- Safe, worry-free transportation that is kind to people and the planet
- Vibrant communities where people move about freely
- Convenient and abundant lifestyles for all people
- Sustainable society

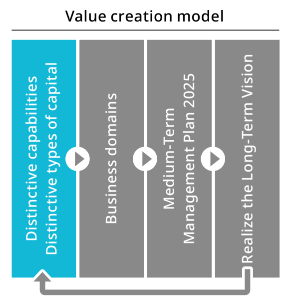
+
- Global environment
- Human resource development as a source of value creation

Social value (regions/communities)
- Enhancing vitality of people, communities, society
- Enhancing appeal of areas, including western Japan
- Contributing to a sustainable society

Economic value (customers, shareholders, employees, etc.)
- Enhancing customer satisfaction
- Enhancing shareholder value
- Enhancing employee satisfaction
- Co-creation of value with diverse partners

Initiatives to realize sustainability management

- Enhancing peace of mind, reliability, and connections by creating social value through business
- Enhancing networks and data that provides insight through increases in service touch points and traffic
- Expanding innovation and enhancing employee motivation through the realization of social value and economic value



Value creation for realizing the Long-Term Vision

Drivers accelerating JR-West Group value creation

The five strengths that we have put forward as our distinctive capabilities are the drivers that will accelerate value creation for the JR-West Group. The foundation for this is an open corporate culture that values trust and challenge grounded in Our Purpose, as well as our ability to respond to and create change, and the diverse human capital from which this originates. The entire Group will work together to develop these capabilities.

Distinctive capabilities

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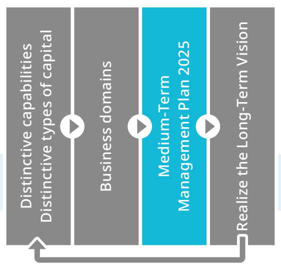
Drivers of value creation

Foundation for capabilities

An open corporate culture that values trust and challenge grounded in Our Purpose

Our ability to respond to and create change, and the diverse human capital from which this originates

Value creation for realizing the Long-Term Vision



Medium-Term Management Plan 2025—Post-pandemic challenges—Update

Basic concept of the Medium-Term Management Plan 2025

The Medium-Term Management Plan 2025 is a strategy that lays out a three-year plan of action from fiscal 2024 to fiscal 2026.

In the Medium-Term Management Plan 2025, based on its positioning as the first step towards realizing the Long-Term Vision, we set forth five key strategies to accelerate growth by making the most of the opportunities at hand. In addition, we are working on coexistence with communities, human capital management, governance, risk management, and human rights to achieve sustainability management.

Update of the Medium-Term Management Plan 2025

We updated the Medium-Term Management Plan 2025 in fiscal 2025 after reviewing fiscal 2024, the first year of the plan.

Based on the JR-West Group's value creation system and the key strategies of the Medium-Term Management Plan 2025, we will specify measures, as well as add measures to address issues that we have become more aware of, to accelerate the realization of the Long-Term Vision 2032 in line with Our Purpose.

Medium-Term Management Plan 2025

Key strategies

1. Improve safety of railways p.27
2. Revitalize and restructure core businesses (railway business, group businesses) p.125
3. Further evolve real estate and city development p.38
4. Develop diverse services via digital strategy p.25, p.49
5. Create new businesses p.53, p.61

\+ Initiatives to realize sustainability management

Update

Giving shape to key strategies

- The fundamental strategies of the Medium-Term Management Plan 2025 remain unchanged.
- Under Our Purpose, we aim to realize the Long-Term Vision by further concretizing the key strategies of the Medium-Term Management Plan 2025.

Additional measures

- Add new measures to address business issues that we have become more aware of, and accelerate the realization of the Long-Term Vision in line with Our Purpose.
- Add resources to measures aimed at improving the safety and sustaining the evolution of railways, creating value together as a Group, and improving our ability to adapt to and create change.

Financial targets

- The target figures have been updated in light of increased usage resulting from the implementation of measures in the Medium-Term Management Plan, the results of structural reforms, and changes in the external environment.

	FY2024 results	FY2025 results	FY2026 (after update)
Consolidated operating income	¥179.7 billion	¥180.1 billion	¥185.0 billion
EBITDA	¥343.0 billion	¥349.5 billion	¥370.0 billion
(Reference) Transportation revenue	¥840.5 billion	¥892.6 billion	¥905.0 billion

Giving shape to key strategies

Improve safety of railways

- With the Fukuchiyama Line derailment accident as our starting point, we sincerely and tirelessly pursue safety
- Pursue the JR-West Group Railway Safety Think-and-Act Plan 2027
  - Pursue the development of safety equipment such as platform gates and derailment prevention guards
  - Improve object-based and policy-based functions for sustained evolution (e.g., technological and operational innovations in railway operation and maintenance)


Improved movable platform gates


Derailment prevention guards


Multifunctional railway heavy machinery

Revitalize and restructure core businesses (railway business, group businesses)

- Maximize the benefits of opening the Hokuriku Shinkansen between Kanazawa and Tsuruga
- Build momentum for Expo 2025 and seize various business opportunities
- Capture inbound travel-related demand by communicating the appeal of western Japan

Extension of the Hokuriku Shinkansen to Tsuruga begins

Setouchi Palette Project


Expo 2025 official store


Curu-F Fukui Station

Further evolve real estate and city development

- Create walkable and attractive districts through development around Osaka Station and other efforts
  - Osaka Station (Umekita area) (opened March 2023)
  - JP Tower Osaka (opened July 2024)
  - Inogate Osaka (opened July 2024)
  - Umekita Green Place (opened March 2025)
- Develop areas along railway lines that cater to diverse lifestyles (Nishi-Akashi, Mukomachi, etc.)

Develop diverse services via digital strategy

- Pursue digital strategies to build an open platform (WESTER world) in western Japan
- Provide an experience menu (WESTER experience) that is far more convenient, cost-effective, and fun; strengthen marketing capabilities to create synergy

Create new businesses

- Expand services to local governments and other organizations through collaboration with partners both within and outside the Group
- Create a virtual space that leverages the strengths of stations as customer contact points
- Provide a highly convenient workspace combined with mobility

Realize sustainability management

Coexistence with communities

- Promote prosperous communities and local businesses (Forest Festival of the Arts Okayama: Clear-Skies Country; freight business by train)
- Create an easy-to-use and sustainable transportation system (Johana and Himi Lines, Geibi Line, BRT)


Forest Festival of the Arts Okayama: Clear-Skies Country

Global environment

- Further expand renewable energy use for train operation
- Reduce CO_2 emissions through the widespread introduction of new, energy-efficient rolling stock

Human resource strategies to enhance our ability to adapt to and create change

- Create an environment where employees can work with enthusiasm and a sense of growth
- Foster the development of innovation-minded human resources who will take on the challenge of evolving connections and creating value

Governance, risk management, human rights

- Actions based on the JR-West Group Code of Conduct (e.g., respect for human rights)
- Create a safe working environment (e.g., dealing with abusive customers)

Additional measures

Improve the safety, and sustain the evolution of, railway business

- Improve safety and comfort through early rolling stock replacement
- Expand seating services (additional A-seats)
- Improve transport quality and productivity through object-based and policy-based improvements


Replacing rolling stock

Expanding seating services

Create value together as a Group

- Expand real estate business (expand high-value-added real estate assets)
- Renovate stations that serve as community hubs


Expanding the housing business


Renovating stores at major stations

Improve our ability to adapt to and create change

- Develop an environment and mechanisms to support growth and increase diversity and job satisfaction
- Cultivate human resources who strive daily to improve service and quality
- Expand opportunities for innovation and improve digital literacy

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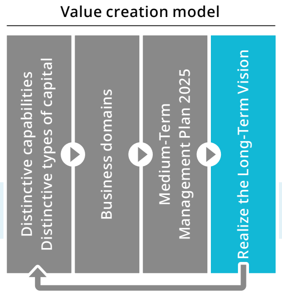
Value creation for realizing the Long-Term Vision



Long-Term Vision 2032 and key business issues (materiality)

In line with Our Purpose, the JR-West Group has formulated its Long-Term Vision 2032, which outlines the vision for the Group in 2032. As part of this, we have set four priority issues to address: creating safe, worry-free transportation that is kind to people and the planet, building vibrant communities where people move about freely, contributing to convenient and abundant lifestyles for all people, and fostering a sustainable society.

Underpinning all of this are the two issues of caring for the global environment and recognizing human resource development as a source of value creation. Altogether, these six issues are designated as key business issues (materiality).

Process for identifying key business issues (materiality)

From the perspective of making effective use of limited resources, we have held management-level discussions on key business issues (materiality) that are particularly connected with improving our corporate value. In order to identify materiality, we first needed to identify relevant social issues, from which we created a list of candidates that were then evaluated along two axes: social value (impact on society) and economic value (impact on JR-West). Those deemed to have high social and economic value were selected.

In addition, based on discussions for the formulation of Our Purpose, Long-Term Vision, and Medium-Term Management Plan, we tried to anticipate what changes and resulting social issues will emerge over the next 10 years and, given these, what sort of material issues will arise.

Specific process leading to materiality identification

STEP 1 Comprehensive understanding of social issues

We identified social issues to be addressed from an ESG perspective, referring to the FTSE ESG external evaluation items and the SASB Standards for ESG disclosure. We also identified social issues from the perspective of the SDGs and created a candidate list of material issues.

STEP 2 Prioritizing issues from the perspective of the JR-West Group

We prioritized the issues to be addressed by comparing the list of materiality candidates identified in Step 1 with risks, opportunities, and relationship with our corporate philosophy.

STEP 3 Prioritizing issues based on the degree of impact on society and JR-West

Based on evaluations and comments from stakeholders, including investors, and ESG rating agencies, we prioritized issues to be addressed from the perspectives of impact on society and our company.

STEP 4 Identification of materiality

Based on the list of materiality candidates compiled in Step 2 and Step 3, we selected six material issues as priority areas with high social and economic value in discussions at the management level (Board of Directors). In the selection process, the discussions on the formulation of Our Purpose, Long-Term Vision, and Medium-Term Management Plan were also reflected. The Board of Directors regularly reviews the status of initiatives, and the Sustainability Committee monitors whether they lead to the creation of social value.

STEP 1•STEP 2 ■ Listing materiality candidates

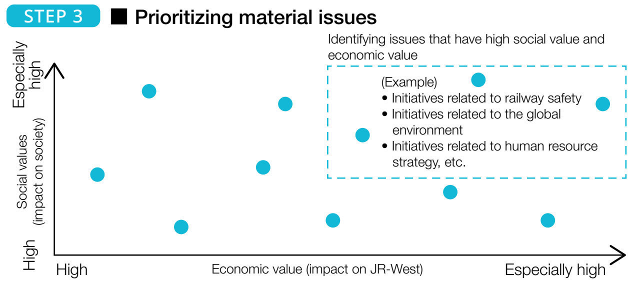
Identification of social issues based on ESG external evaluation items and ESG disclosure standards (example)

	E (environment)	S (social)	G (governance)
FTSE	• Biodiversity • Climate change	• Customer responsibility • Human rights and the community	• Anti-corruption • Transparency of taxes
SASB Standards	• Greenhouse gas emissions • Energy management	• Product and quality safety • Employee health and safety	• Business ethics • Critical incident management

Identification of social issues based on the SDGs (example)

Relevance to JR-West Group businesses	E (environment)	S (social)	G (governance)
Especially high	• Climate change measures • Conserving marine resources	• Customer responsibility • Human rights and the community	• Efficient public-private-civil society partnerships
High	• Ensuring the sustainability of water and sanitation • Securing sustainable energy • Preventing loss of biodiversity	• Ensuring women's participation and equal leadership	
Low		• Poverty eradication • Ensuring healthy lives • Ensuring high-quality education	

STEP 3 ■ Prioritizing material issues



STEP 4 ■ 6 material issues

Long-Term Vision
1. Safe, worry-free transportation that is kind to people and the planet
2. Vibrant communities where people move about freely
3. Convenient and abundant lifestyles for all people
4. Sustainable society

+

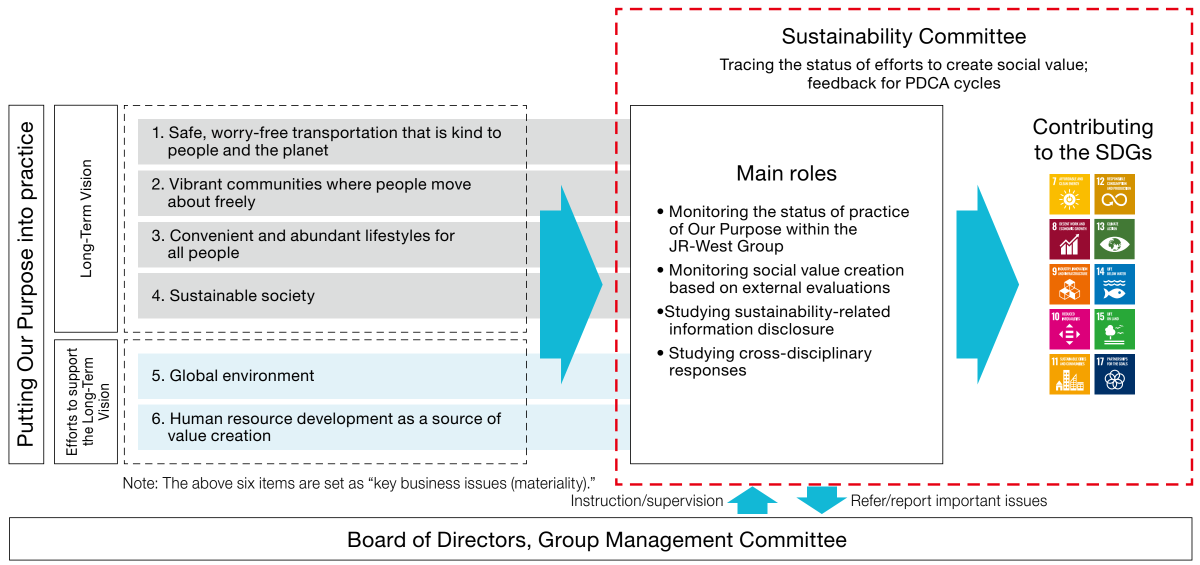
Efforts to support the Long-Term Vision
5. Global environment
6. Human resource development as a source of value creation

Sustainability management promotion system

We have established a Sustainability Committee to deliberate and report on sustainability-related risks, opportunities, and initiatives. The Committee, in principle, meets twice a year. It is chaired by the president and is comprised of executive directors in charge of Head Office departments and heads of related departments in charge of sustainability initiatives and information disclosure. Deliberation content and reports are reviewed at meetings of the Board of Directors and the Group Management Committee. The initiatives are confirmed following repeated discussions, which also include outside directors.

Part of sustainability management, we believe, is sharing and communicating the initiatives we are undertaking with regard to materiality, as well as Our Purpose, which underpins those initiatives. The Sustainability Committee implements a PDCA cycle that involves taking a comprehensive look at the progress being made in each area to put Our Purpose into practice and realize our Long-Term Vision; considering factors such as external evaluations, progress toward goals, and any issues identified; and then, providing feedback to the relevant departments.

Positioning of the Sustainability Committee



Third-party ESG evaluations

We have been selected as a constituent stock of the following ESG indices.

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

THE INCLUSION OF West Japan Railway Company IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF West Japan Railway Company BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

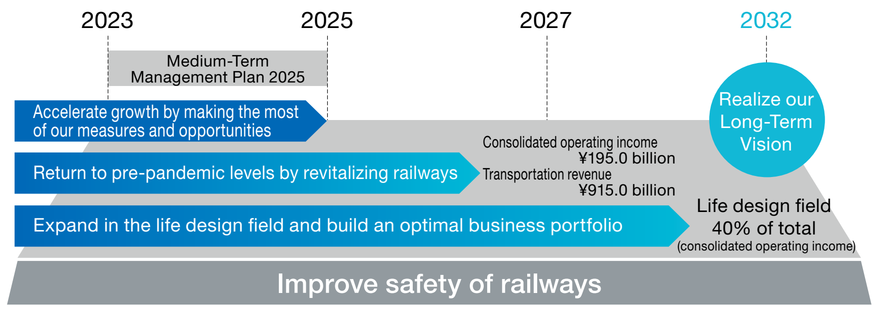
FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

Towards realizing our Long-Term Vision

To achieve our Long-Term Vision, we will continue working tirelessly to improve railway safety and to revitalize the mobility services field, centered on railways, as well as take on the challenge of expanding the life design field. By building an optimal business portfolio, we will grow into a corporate group that is continuously creating value well into the future.



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Message from the CFO

Chief Financial Officer

Aims as general manager of the Corporate Strategy Headquarters

My name is Yasuo Umetani, and I assumed the position of senior general manager of Corporate Strategy Headquarters (CFO) in June 2025. In carrying out my responsibilities as CFO, there are two key aims that I will closely adhere to. The first is ensuring safety remains the foundation of the JR-West Group. In my time working at our branch offices and group companies, which are the frontlines of the Group and are close to our customers, I have practiced the principle of the "three actuals," i.e., have an understanding of the actual place, the actual thing, and the actual situation, and I have endeavored to meet customer expectations through a safety-first approach. I am determined to never allow a tragedy like the Fukuchiyama Line derailment accident to occur and will thus tackle business issues with safety as top priority. Second, I will leverage my experience working with various stakeholders to foster a thoroughly customer-oriented approach and ensure on-site thinking and actions, thereby boosting employee job satisfaction and enhancing corporate value through sustained growth as a corporate group responsible for social infrastructure. Despite the increasingly severe business environment, I will continue to focus on where the significance of our existence is found and ensure the JR-West Group works as one to meet the expectations of our stakeholders, based on our foundation as a railway company deeply rooted in the local community.

■ Financial targets

		FY2025 (results)		FY2026 (Earnings forecast)	FY2026 (updated Medium-Term Management Plan figures)
Ability to generate profits	Consolidated operating income	¥180.1 billion	▶	¥195.0 billion	¥185.0 billion
	EBITDA	¥349.5 billion		¥379.0 billion	¥370.0 billion
	(Reference) Transportation revenue	¥892.6 billion		¥930.0 billion	¥905.0 billion
Management efficiency	Consolidated ROA	4.8%	▶	5.1%	Approx. 5%
	Consolidated ROE	10.1%		10.1%	Approx. 10%
	(Reference) Consolidated ROIC	4.7%		Approx. 4.8% (expected at beginning of period)	—
Financial discipline	Net interest-bearing debt/EBITDA	4.0x	▶	Approx. 4x	Approx. 4x
Business composition	Ratio of life design field to operating income	20%	▶	22% (expected at beginning of period)	Approx. 25%

Note: As of the second quarter

Updating the Medium-Term Management Plan 2025

We have positioned the Medium-Term Management Plan 2025 as the first step in realizing Our Purpose, which expresses the significance of the JR-West Group's existence, and our Long-Term Vision, which lays out the future we seek to realize in the medium to long term. In April 2024, we updated the Medium-Term Management Plan 2025 in response to changes in the business environment, such as rising prices and labor shortages, and we aim to build a solid business foundation to achieve sustained growth.

Regarding resource allocation, we have prioritized safety-related investment and have actively invested in large-scale project- and inbound demand-driven revitalization of core businesses, new businesses aimed at further growth, and our ability to adapt to and create change (human capital). While maintaining the three-year safety-related investment (340 billion yen) at the level set out in the Medium-Term Management Plan 2025, we have, with a view to expanding the life design field, also allocated significant resources to growth investments, such as projects in Osaka and Hiroshima, asset expansion in the Tokyo metropolitan area, and digital strategy-driven expansion of the WESTER world and the new Wesmo! payment service. Furthermore, with the aim of quickly restoring capital efficiency to pre-pandemic levels, we have implemented share buybacks totaling 100 billion yen by the first half of 2025.

Performance and results

In the Medium-Term Management Plan 2025 period, we have steadily implemented key strategies and are on track to achieve most of the financial targets updated during that period. For Expo 2025, we provided transportation services to the Expo site by train and bus, operated an official store on the site, and held various events to build momentum for the Expo at stations and group company commercial facilities. To prepare for the expansion of inbound demand, we expanded our offerings, including multilingual guides and special products for inbound tourists that enable smooth travel to tourist destinations within our service area. By steadily capturing demand from the Expo and inbound tourists in this way, we expect consolidated operating income to reach 195 billion yen, marking a fifth consecutive year of income growth.

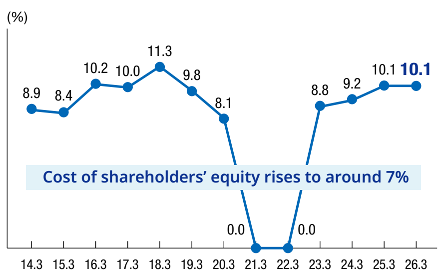
In Osaka, we converted land formerly used by the railway line into commercial use, thereby increasing asset value and creating new activity on the west side of Osaka Station. Utilization of the commercial facilities is strong, and there is steady progress in the office lease rate. This redevelopment has created a virtuous cycle that leads to growth in the real estate business and an increase in the number of people using the railway. In Hiroshima, a new station building opened in March, and in August, a streetcar line was added to the second floor of the station building, further improving convenience. The opening of the new station building has increased mobility within the city, and with the progress in new redevelopment, we expect to create even more activity. Through this kind of city development centered on stations to create local appeal, we will foster a cycle in which customer needs are met, which in turn leads to new flows of people. The entire JR-West Group will work together as one to maximize the profits of each business.

Meanwhile, various costs, particularly personnel and operational expenses, are increasing due to labor shortages and inflation, which progressed more rapidly than expected during the Medium-Term Management Plan 2025 period. It is expected that the increase in depreciation and amortization due to expanded investment in improving labor productivity in preparation for future labor shortages, as well as the increase in personnel expenses due to human capital investment, will have an impact on our cost structure. At the same time, we will continue to work on other efforts such as countermeasures against increasingly severe disasters and earthquakes and the realization of sustainable regional transportation. Meanwhile, progress on new strategies in the life design field, such as our digital strategy and the JCLaaS business, has been slower than expected. Therefore, the proportion of the life design field in consolidated operating income is expected to fall short of its target.

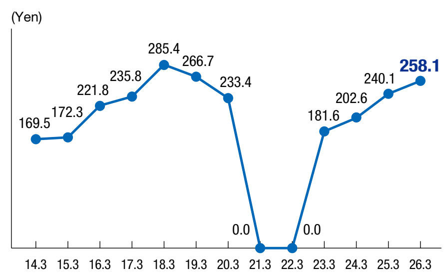
■ Financial strategy and shareholder returns

	Pre-pandemic 5-year average (FY2016–FY2020)	FY2023 (previous Medium-Term Management Plan results)	Medium-Term Management Plan 2025	FY2026 After treasury stock acquisition and cancellation (estimate)
ROE	9.9%	8.8%	▶	10.1%
EPS	¥248.6	¥181.6		¥258.1
DPS (Dividend per share)	¥79.5	¥62.5		¥90.5

ROE



EPS



Note: Effective April 1, 2024, one common share will be split into two shares (the EPS shown is the amount after the split).

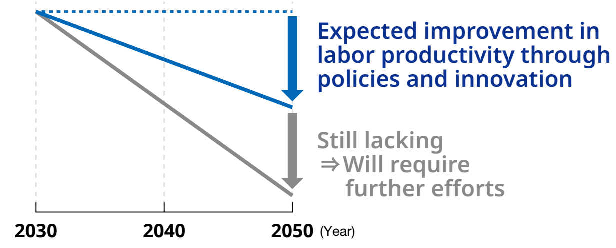
Message from the CFO

Direction of the next medium-term management plan

In response to challenges such as rising prices and labor shortages, we will further our efforts to ensure the sustained evolution of railways in our next medium-term management plan. At the same time, we will expand our life design business, including through capital strategies, by accelerating the growth of our real estate business, which drives this business. Furthermore, we aim to enhance the roles of each business and the synergies between businesses, while also improving consolidated profitability through resource allocation with an awareness of capital costs, thereby enhancing long-term corporate value.

■ Growing labor shortage

Railway business labor supply and demand trends (estimated)



*Estimated based on the decline in the working-age population, taking into account the ability to secure human resources by industry

Business portfolio strategy

To enhance long-term corporate value, it is essential to achieve Group growth through the sustained evolution of railways and the restructuring of our business portfolio. In the Group's business portfolio strategy, we believe that the mobility services field (railways and transportation, retail, hotels, and travel) will contribute to sustained value creation as the Group's business foundation, thanks to its stable cash flow and solid customer base. In the life design field (real estate, shopping centers, and community and city development), we will accelerate profit growth by expanding the scale of investments. We will also improve capital efficiency through the effective use of funds and REITs, and appropriately assess the timing of investment recovery, moving into a phase of efficient profit generation. At the same time, we will continue to work in areas where we can leverage the capabilities we have cultivated through group-wide initiatives, such as digital and infrastructure management.

To achieve sustained business growth, we will quantitatively and qualitatively examine the significance of each business we hold, taking into consideration multiple perspectives, such as comparisons with other companies in the industry and synergistic effects. We will consider restructuring or other measures for businesses that are deemed to have little significance. In addition, we will aim to grow new businesses by utilizing capital strategies in order to make up for the current delay in progress.

Enhancing long-term corporate value

Improving the safety, and sustaining the evolution of, railway business	Growth through business portfolio restructuring	Financial strategy to achieve both at left

Utilization of business-specific ROIC to develop business portfolio management

Responding to a rapidly changing business environment

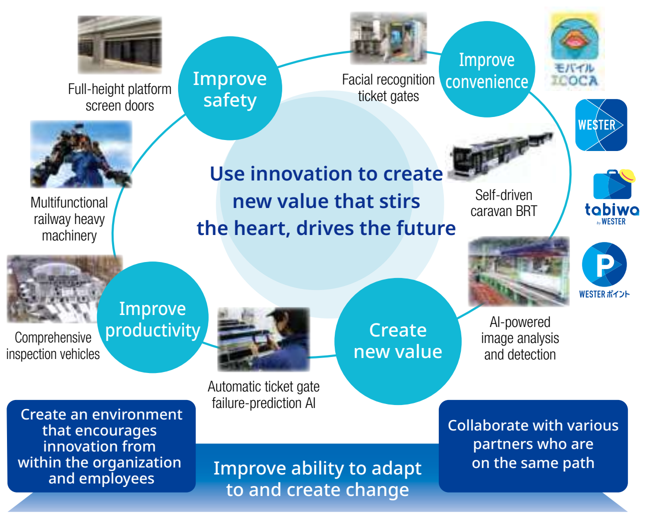
- ☑ Regularly review the positioning and role of each business in the business strategy
- ☑ Prioritize capital investment according to the growth potential and characteristics of each business, and manage according to established KPIs
(Contribution to improving corporate value through ROIC-WACC spread and the scale of invested capital)
- ☑ Improve the safety, and sustain the evolution of, railway business; restructure the business portfolio to expand the life design field and improve accountability to reduce cost of shareholders' equity
- ☑ Enhance dialogue with capital markets and stakeholders regarding financial soundness and optimal capital structure

Sustained evolution of railways

In the railway business, we will strive to expand profits by further developing seating and high-grade services in response to growing customer demand, as well as by making investments that fully capture opportunities such as the planned opening of the Osaka integrated resort in Yumeshima in fiscal 2031 and the expansion of inbound demand. We will also strengthen the allocation of resources to labor-saving and manpower-saving measures in response to labor shortages and will proceed with the sharing of rolling stock equipment and parts with other companies. This will enable us to curb fixed costs in the medium to long term and also lead to external sales of our know-how and technology.

The source of value creation in railways is human resources, and we believe that allocation to human capital, including the supply chain, is necessary. However, in order to make such human capital investments, a fare system that appropriately rewards corporate efforts is necessary, and we will continue to request this of the government. For local lines, we will work with local communities to consider sustainable transportation systems that meet the needs of each region.

■ Using innovation to achieve our Long-Term Vision



Financial strategy

In terms of finances, we are forecasting ROA of approximately 5% and ROE of approximately 10% in the final year of the Medium-Term Management Plan 2025, thanks to focusing on profit growth and capital efficiency. Furthermore, under the Medium-Term Management Plan 2025, we are targeting dividend increases by expanding the profits of each business, based on a dividend payout ratio of 35% or more. By proceeding with share buybacks even before the end of the Medium-Term Management Plan 2025, we expect EPS to recover to pre-pandemic levels. We are also working to reduce weighted average cost of capital (WACC), which weighs on share price increases.

In the next medium-term management plan, we will consider utilizing debt at an appropriate scale while maintaining financial discipline that can withstand a certain level of risk. In the past, under a low interest rate environment, we actively implemented ultra-long-term borrowings that maximized our creditworthiness. As a result, we have been able to extend the average remaining maturity. In the future, we will also utilize short-term borrowings, keeping in mind the need to limit the impact of the current rise in market interest rates on funding interest rates.

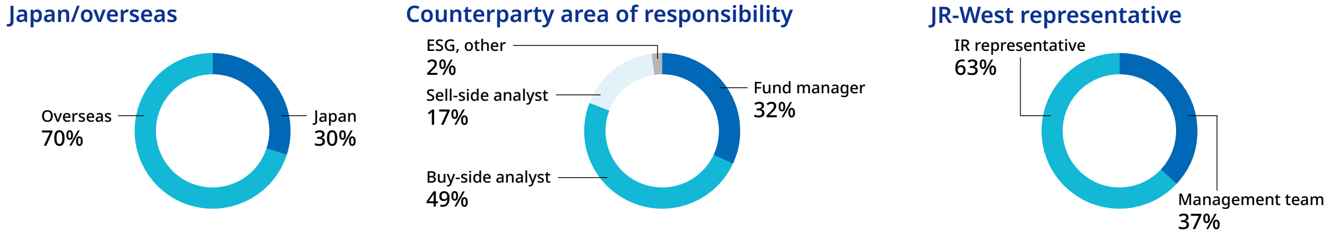
With regard to our returns policy, we recognize the importance of stable dividends and intend to continue to adhere to this policy in our next medium-term management plan. In fiscal 2025, we held an IR Day to hold dialogue with our outside directors and explained our digital strategy. We have also worked to reduce cost of shareholders' equity by increasing the clarity of our business strategy, such as by reviewing the information we provide in our integrated report, fact sheets, and financial results briefing materials based on feedback from investors.

To our shareholders

To ensure that shareholders and investors understand the progress and outlook for the above initiatives, we will continue to enhance opportunities for dialogue, such as information disclosure, one-on-one meetings, small meetings, and securities company conferences. We will continue to actively utilize opportunities for dialogue to meet the expectations of our stakeholders and will incorporate their opinions into our business to improve corporate value.

■ Dialogue with shareholders and investors (April 1, 2024 to March 31, 2025)

Overview of shareholder and investor dialogue (about 310 sessions)



Major IR events and participants

Date	IR event	Description	Principal briefer
Aug.	Financial results briefing (FY2025 1Q)	FY2025 1Q results	CFO
Nov.	Financial results briefing (FY2025 2Q)	FY2025 2Q results	Vice president
Jan.	Financial results briefing (FY2025 3Q)	FY2025 3Q results	CFO
May	Financial results briefing (FY2025 full-year)	FY2025 full-year results, FY2026 forecast	President
	Small meetings	Strategic dialogue between analysts, institutional investors, and president	President

Feedback to executive management

Description	Frequency	Feedback sent to	Reporting method
Summary of dialogue	2Q, end of year	Board of Directors	Consideration by the Board of Directors
Summary of analyst reports	Quarterly	President, CFO, others	Direct or by email, etc.
Suggestions during dialogue	As needed	CFO, related departments, others	Direct or by email, etc.

Message from the CDMO

Chief Digital Marketing Officer

Head of operations;
Director and Senior Managing Executive Officer;
Senior General Manager of Marketing Headquarters;
Senior General Manager of Digital Solution Headquarters
Hideo Okuda

Marketing and digital strategies and their importance in management

The significant decline in travel demand during the COVID-19 pandemic highlighted the challenges facing the JR-West Group's travel-related business model and made us realize the need for transformation of our business portfolio and fundamental structural reform.

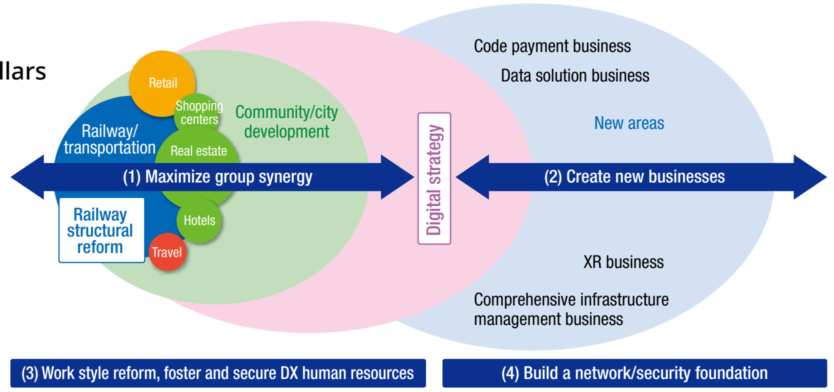
In order to continue providing value to society where change is accelerating, the Group has placed digital transformation (DX) at the center of its corporate strategy and is challenging itself to create high added value and demand for transportation through one-to-one services that combine the strengths of the real and digital worlds, as well as to build a business model that does not rely on transportation.

We have established the necessary structures, including the Digital Solution Headquarters, which was launched in 2020, the Business Design Division, which will lead the creation of new value, and the Marketing Headquarters, which aims to improve the Group's marketing capabilities. The entire Group is working as one to carry out its strategies.

In Our Purpose, which was announced in 2023, we declared our goal of connecting people, communities, and society in both the real and digital worlds. We recognize that the use of digital technology and data will be essential in all aspects of our business activities going forward.

The Group's value creation model expresses these initiatives within our business framework. We are promoting a digital strategy centered on four pillars: (1) Maximize group synergy; (2) Create new businesses; (3) Work style reform, foster and secure DX human resources; and (4) Build a network/security foundation. Through these initiatives, we will achieve sustainable growth and increase corporate value.

■ JR-West Group's 4 digital strategy pillars



Status of major initiatives

While making full use of the infrastructure and environment we have built up to now, we are utilizing the abundant and diverse data held by the JR-West Group to launch services that meet the specific needs of the individual customer. These services are being used by many customers. We are also steadily cultivating and securing the human resources essential to advancing these services, as well as building a security-related infrastructure.

	Maximize group synergy	Create new businesses	Work style reform, foster and secure DX human resources	Build a network/security foundation
Initiatives	● Expand WESTER membership through events such as the WESTER Festa! point collection incentivization campaign ● Expand the number of businesses that subscribe to Group-wide WESTER point services ● Release Wesmo!, a new payment service	● Operate JCLaaS, a comprehensive infrastructure management business ● External sales of solutions tied to in-house technology and know-how ● Launch Bell-naru, a new business creation program through external co-creation	● Improve productivity and create more value using generative AI ● Actively recruit digitally savvy human resources in collaboration with digital consulting agency Trailblazer	● Build a system to quickly detect and manage vulnerabilities as a way to strengthen security across the Group (p.115)
Main results (as of the end of FY2025)	● Number of WESTER members: About 10.29 million ● Number of active members*1: About 3.44 million ● Number of WESTER point member businesses: About 4,200	● Start of secondary comprehensive private-sector outsourcing of water service from the city of Fukuchiyama ● External sales of solutions: 53 orders received	● Selected as a Noteworthy DX Company 2025 in the DX Stocks 2025 announced by the Ministry of Economy, Trade and Industry and others ● Number of employees participating in the developer community: About 2,500 (as of September 2025)	● Spear-phishing email training no-report rate*2: 0.8%

*1 Number of WESTER members who have earned or used points at least once within the last year.
*2 Percentage of employees who clicked a link in a simulated phishing email sent to employees for training purposes and then failed to report the fact to their system administrator.

KPIs

We hope that more customers will enjoy the incredible convenience, value, and fun of the WESTER world through WESTER experiences, which start with the individual customer contact app and allows them to use services both in and outside the JR-West Group for completing everything from payment to collecting and using points.

We are working to expand the WESTER world by setting and managing targets for the number of WESTER members and active members and will use these as KPIs.

FY2026	FY2028
Number of WESTER members 11 million	Number of WESTER members 13 million
Number of active members 4 million	Number of active members 5 million

Third-party evaluations

The development of the WESTER app was recognized as having achieved outstanding results in business innovation through advanced use of IT and was awarded the IT Grand Prize at the 2024 (42nd) Information Technology Award.

We were also recognized for the first time by the Ministry of Economy, Trade and Industry and other organizations as a Noteworthy DX Company and were included in their 2025 list. The JR-West Group was recognized for clarifying and communicating the importance of digital transformation in its business strategy, pursuing operational transformation using digital technology in its core business centered on railways, and actively taking on challenges to create new businesses.

Future outlook

As we enter the final year of our Medium-Term Management Plan 2025, we recognize that it is time to move into a phase of accelerating the creation of even more value in our marketing and digital strategies, in line with Our Purpose and in order to realize our Long-Term Vision.

By combining the Group's unique strengths, such as wide-area transportation networks including the Shinkansen and urban development centered on stations, with our data-driven group marketing and digital capabilities, we will provide services that are thoroughly tailored to each individual and which stir their hearts. We will also take on the challenge of future-focused urban development using data and digital technology to make western Japan an even more attractive place to visit and live.

Safe, worry-free transportation that is kind to people and the planet

Enhancing safety, with the Fukuchiyama Line derailment accident as the starting point

The derailment accident on the Fukuchiyama Line

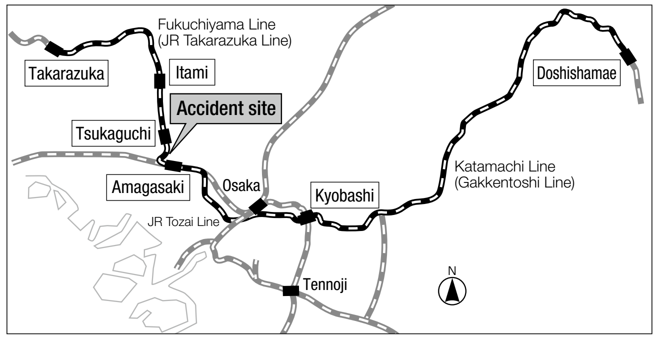
On April 25, 2005, issues at the West Japan Railway Company resulted in an accident on the Fukuchiyama Line, an extremely serious accident resulting in 106 fatalities and 563 injured passengers. We pray for all the victims of the accident and would like to express our sincerest apologies to their bereaved families. We would also like to express our deepest sympathies and sincerest apologies to the injured passengers and their families.

For the immense anxiety that the accident caused, we offer the deepest apology possible to our customers and those in the local community.

We will continue to make concerted efforts for all persons affected by the accident, while striving to further enhance safety measures and reform our corporate culture.

Overview

Date/time	Monday, April 25, 2005, approx. 9:18 a.m. Weather conditions: Sunny
Location	Between Tsukaguchi Station and Amagasaki Station on the Fukuchiyama Line Approx. 1,805 m before Amagasaki Station (Amagasaki City, Hyogo Prefecture)
Train involved	Rapid train from Takarazuka Station bound for Doshishamae Station Train No. 5418M (EMU 207 series, 7 cars)
Summary	Between Tsukaguchi Station and Amagasaki Station, train No. 5418M entered a rightward curve with a radius of 304 m at approximately 116 km/h—greatly exceeding the speed limit of 70 km/h for the corner. As a result, the first through fifth train cars derailed, causing the first and second cars to collide with an apartment building on the left side of the direction the train was traveling. In this derailment, 106 passengers and the train driver were killed. Furthermore, 562 passengers and 1 pedestrian walking near the scene were injured.



Cause of the accident

From the *Railway Accident Investigation Report* issued by the Aircraft and Railway Accidents Investigation Commission (now the Japan Transport Safety Board)

It is considered highly probable that the train driver's delay in applying the brake resulted in the entry of the train into a 304 m-radius rightward curved track at a speed of approximately 116 km/h, which was far higher than the specified speed limit of 70 km/h, and the running of the train along the curved track at the high speed caused the first car of the train to fall left and derail, which caused the second to fifth cars to derail.

It is considered probable that the train driver's delay in applying the brake is attributable to the diversion of his attention from driving the train to (1) listening to the dialogue between the conductor and the train dispatcher by radio communication, which was caused by his belief that he had been hung up on by the conductor while he had been talking to the conductor on the intercom to ask him to make a false report and (2) making up an excuse to avoid being put on an "off-the-train" re-training course.

It is considered probable that the West Japan Railway Company's train driver management system in which drivers who caused an incident or a mistake are put on an "off-the-train" re-training course that can be considered as a penalty or are subjected to a disciplinary action and drivers who did not report an incident or a mistake they had caused or made a false report about such an incident or mistake are put on an even harder "off-the-train" re-training course or subjected to an even harder disciplinary action may have (1) caused the driver to make the call to the conductor on the intercom to ask him to make a false report and (2) caused the diversion of the driver's attention from driving the train.

Continuing reflection and passing on the lessons of the accident

No matter how much time has elapsed since the accident, and no matter how many generations pass, we must never let it be forgotten, instead making the derailment accident on the Fukuchiyama Line the starting point for all of our safety initiatives. Looking to the future, to ensure that we pass on the serious reflections and lessons that this accident has taught us, we have reviewed the problems that were present in our corporate culture and safety management at the time and formulated "Achieving Railway Safety into the Future," which outlines what we should hand on as a compass for safety in the future. This was announced in March 2021.

Points to reflect on, and their background

At the time of the accident, JR-West had not put in place systems to identify and deal with risks when planning and implementing management policies, and we did not have an ATS (Automatic Train Stop) system with speed check functions installed on the curve where the derailment occurred. Moreover, our understanding of human factors was insufficient, and we had reeducation measures in place that were seen as being punitive. Further, there were problems within our organization, including stagnating technical capabilities and a decreasing awareness of safety, excessive top-down communications, and overconfidence due to our previous successes.

As this shows, at the time of the accident, there were a slew of issues in every aspect of our safety management, and we had been unable to build a company-wide framework for ensuring safety and establish a corporate culture in which safety is the highest priority. We have deeply reflected on our failure to fulfill our responsibilities as a company entrusted with the lives of our passengers.

Reflections on the derailment accident on the Fukuchiyama Line

We had been unable to build a company-wide framework for ensuring safety and establish a corporate culture in which safety is the highest priority. In other words, we did not fulfill our responsibility as a company entrusted with the precious lives of passengers.

Major background factors to reflect on (Problems rooted in the organization)

How to address safety and ensure it in an organizational context

- We had not based our thinking on the idea that risk is inherent to operating a railway, and thus efforts must be made to prevent possible accidents with serious consequences, regardless of the laws and regulations.
- Because of strongly embedded perceptions that specialist divisions should be responsible for their own activities, management was not prepared to work together with the entire organization to make safety a top priority.

Dealing with employees who stand at the forefront of safety

- We were not working from the concept that any person may make a mistake, which led to the spread of idealistic instruction that had the potential to be perceived as punitive.
- Front-line employees were under the expectation that they should do what they had been told, exactly as they had been told, and as an organization JR-West had not yet matured to a level that allowed the opinions of its employees to be heard, recognized the personalities and independence of each person in the company, and improved the safety and quality of service through proactive effort.

Attitude toward society and overconfidence and excessive pride in railway operations

- We had grown overconfident and excessively proud of our operations, and we lacked the humility to learn from outside our own organization.

Learning from the lessons of the accident

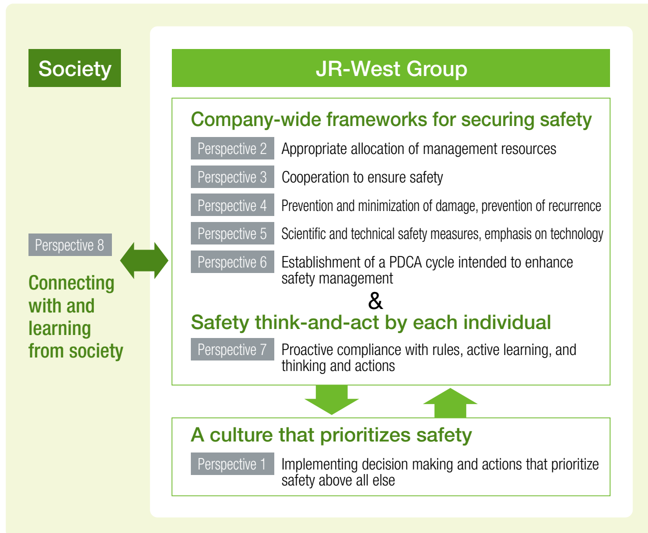
In order to continue to operate safe railways in the future, we must create a company-wide framework for ensuring safety and leverage that framework to encourage safety "think-and-act" by each individual.

These activities will give rise to a culture in which safety is the highest priority, leading to the construction and improvement of systems and increased safety-oriented thinking and action by all individuals. Repeating this cycle will allow continuous improvements to safety.

In addition to promoting safety initiatives within the company, we will work to connect with and learn from society while gaining the cooperation of our customers and society at large, thus further improving railway safety.

Based on the lessons learned from the accident on the Fukuchiyama Line, we defined the following essential perspectives in achieving safety.

■ Essential perspectives in achieving safety



Initiatives based on the essential perspectives in achieving safety

We will periodically check the direction and effectiveness of our safety initiatives, which are based on the essential perspectives in achieving safety, as we build mechanisms that improve safety and raise the level of our safety management. Moreover, we will work harder on employee education by, for example, increasing their understanding of the purpose and background of the safety initiatives and making them aware of the role they have to play in putting these into action.

Enhancing safety, with the Fukuchiyama Line derailment accident as the starting point

Memorial Grove (Inori no Mori) at the accident site

The place where the Fukuchiyama Line accident occurred holds great importance. It recalls the sorrow felt by those who lost their lives, the grief of their families, and the painful memories of those injured. It also preserves traces of the aftermath of where the train derailed and crashed. It is thus the site of Memorial Grove, which serves as a place to remember and lay to rest the souls of those who perished, while also leaving a record of the accident for those who come after. The site will keep the accident from being forgotten and will convey the preciousness of life to society and future generations. It will help JR-West reflect on the accident and will act as a physical pledge to ongoing safety as the company continues to carefully and responsibly preserve the site for all future generations.

Efforts to keep the accident in mind and think and act accordingly

Based on our strong determination to prevent an accident such as that on the Fukuchiyama Line from ever occurring again, we conduct training and other initiatives to increase the awareness of each employee regarding safety. This will ensure that we do not forget this accident and will allow us to put the lessons learned from it into practice in our daily work.

Safety Day and workplace initiatives

In order to never forget the Fukuchiyama Line accident and to build a corporate culture that prioritizes safety above all else, we have made the 25th of each month Safety Day to mark the accident's occurrence on April 25, 2005. Company-wide activities are held on this day.

Besides visiting Memorial Grove, employees of each workplace plan and implement a range of activities, including first-aid training for customers, discussions among employees in different jobs, viewings of interviews with victims of the accident, and talks by employees who were there at the time.

Visiting the Memorial Grove

By visiting the Memorial Grove, a site of great importance holding many different emotions for victims and the reality of the accident, employees learn the facts of the accident and the extent of the tragedy it entailed, as well as about the importance of life, in order to keep the accident front and center in their minds. This helps to ensure that they then put this awareness into practice by prioritizing safety in both thought and action.

Workplace initiatives
(Shimonoseki Train Drivers and Conductors Unit)

As part of its Safety Day initiatives, the Shimonoseki Train Drivers and Conductors Unit holds a safety think-and-act meeting. At this meeting, employees discuss their thoughts and experiences regarding the accident, using this as an opportunity to pass on the story of the accident to the next generation. By listening to the thoughts and experiences of their coworkers, employees gain a stronger sense of the seriousness of the accident, thus making them more cognizant of it as something that affects them personally.

Employees think about the essential perspectives in achieving safety while they reflect on the accident in order to understand and put into practice actions that will achieve safety. Each month, one of these perspectives is selected as a theme. Employees then discuss how it relates to their own work and how they can put it into practice. These discussions allow employees to incorporate not only their own opinions but also those of others and to apply them to their work at a higher level.

Due to the nature of crew members' work, it is difficult for them to gather at the same time, so a means has been devised for everyone to participate by watching online.

Learning at the Railway Safety Education Center

We are working in a variety of ways to cultivate a safety-first mindset in employees, such as by fostering learning at the Railway Safety Education Center, a facility where reflection on the Fukuchiyama Line derailment accident and the lessons learned from past accidents and disasters are taught in a systematic way.

We also deepen employees' understanding of occupational accidents and human factors through instruction at the Safety Experience Building, where employees can learn about countermeasures through hands-on experience.

Responding to victims

We will continue to respond to the needs of those who suffered from the Fukuchiyama Line derailment accident through concerted ongoing efforts to listen closely to their thoughts and opinions.

Memorial ceremony	To express our condolences to those who died in the Fukuchiyama Line derailment accident, in September 2005 we held a Memorial Ceremony and Safety Event. We have followed this up with a Memorial Ceremony every year on April 25.
Explanation meetings	Every year we hold explanation meetings at which the company president and other associated executives inform accident victims directly of our improvements to safety and initiatives we have taken to address issues, as well as receiving input from them.

Initiatives toward creating a society that affords safety and peace of mind

As a company entrusted with the precious lives of passengers, we are committed to reflecting on the gravity of allowing such a major accident to occur and, as part of creating a society that affords safety and peace of mind, we established the JR-West Relief Foundation in April 2009. The foundation strives to enrich people's hearts and lives by engaging in projects that provide physical and mental care to those affected by accidents and disasters, while also joining projects for building safer local communities.

Hosting events	The foundation holds Life Seminars presented by guest speakers from various fields, which focus on life from multiple perspectives and strive to provide participants with the opportunity for personal reflection. As an event marking its 10th anniversary, the organization now holds an annual essay contest for elementary and junior high school students on the topic of life, and shares the best submissions with the community.
Offering grants	The foundation offers grants to support groups and research projects working on preparations and recovery care for accidents, natural disasters, and unforeseen tragedies, in an effort to create a society that affords safety and peace of mind. Furthermore, in order to help promote emergency aid/life support training in local communities the foundation subsidizes AED practice equipment and also supports a group whose achievements include providing Inochi no Denwa (a suicide prevention line servicing the six prefectures of the Kansai area).

A Life Seminar

JR-West provides AED practice equipment

Essay contest booklet

Our values
President's message
Value creation process
Materiality
Corporate governance
Data

Safe, worry-free transportation that is kind to people and the planet

JR-West Group's approach to transportation that is safe, worry-free, and kind to people and the planet

In line with its value of "safety comes first," the JR-West Group has made improving railway safety a top priority. Based on the reflections and lessons learned from the Fukuchiyama Line derailment accident, we will make ongoing efforts to prevent accidents, as well as implement disaster countermeasures and foster a culture that prioritizes safety, striving to provide railway services that provide everyone with peace of mind.

Out of the trust that has been placed in us, we will maximize the value of low-environmental-impact railways so that each and every customer can continuously enjoy comfortable mobility services. We will work to build a future where transportation as a whole is recognized and established as a seamless service.

Key risks

- Compensation for damage to customers' lives and property due to accidents and business interruption after accidents
- Business interruption and increased recovery costs due to natural disasters
- Increase in costs due to tighter environmental regulations
- Increase in costs due to rising energy prices

Key opportunities

- Government support for national resilience, such as disaster prevention measures
- Discovery of usage opportunities and demand by providing seamless mobility services
- Progress in modal shift as society's environmental awareness improves
- Reduction of environmental costs through the advancement and spread of energy-saving technologies

Initiatives

Key initiatives in JR-West Group Railway Safety Think-and-Act Plan 2027

- Platform safety
- Railway crossing safety
- Earthquake countermeasures
- Object-based and policy-based improvements
- Create a culture that puts safety first
- Strengthen framework to ensure safety throughout the organization
- Safety think-and-act initiatives by each individual
- Connect with society and learn from outside the company

Sincerely addressing the expectations and needs of diverse customers in striving for people-friendly transportation

- Barrier-free initiatives
- Initiatives based on customer feedback

Sustainable society

- Digital technology-driven, seamless transportation system (⇒ p.56)

Global environment

- CO_2 emissions-reduction initiatives aimed at carbon neutrality (⇒ p.68)
- Modal shift initiatives (⇒ p.70)

Social value

- Improving society's sustainability by strengthening infrastructure
- Enriching lives by providing seamless transportation services
- Proactively society's sustainability by protecting the global environment

Economic value

- Reducing damage to equipment and minimizing opportunity losses through disaster countermeasures
- Increasing the number of railway users by providing seamless transportation services
- Improving customer satisfaction by providing services that meet customer needs
- Increasing the number of railway users as a result of rising environmental awareness
- Creating new business opportunities by utilizing energy-saving technologies

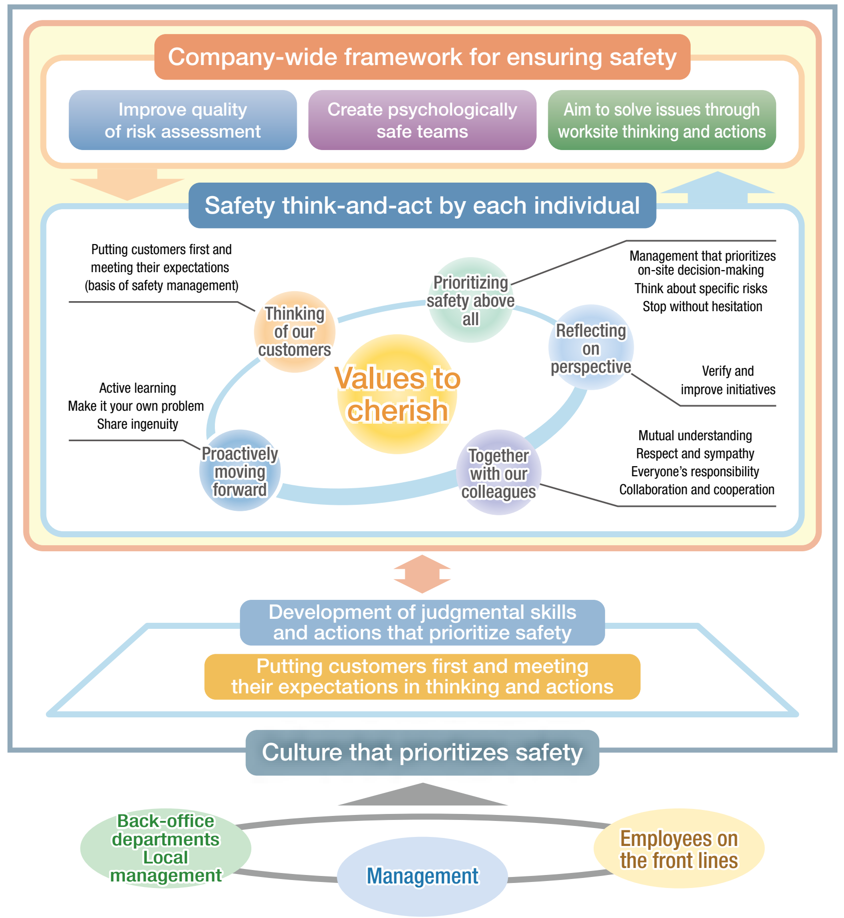
Key materiality-focused initiatives

Initiatives to improve safety

Preventing an accident such as that on the Fukuchiyama Line from ever occurring again is the responsibility and unwavering commitment of the JR-West Group.

The JR-West Group Railway Safety Think-and-Act Plan 2027, which started in fiscal 2024, reviews past safety initiatives and implements further measures to improve safety. In line with this plan, and in order to fulfill our mission of getting customers to their destinations safely, we pursue a more robust approach to safety, seeking to improve it based on a strong awareness of putting customers first and meeting their expectations, so that we can build a trustworthy railway that customers can use again and again with peace of mind.

JR-West Group Railway Safety Think-and-Act Plan 2027



Starting with the management team, everyone in the JR-West Group shares the five values we want to cherish (prioritizing safety above all, thinking of our customers, proactively moving forward, together with our colleagues, and reflecting on perspective). We will respect each other, speak frankly, and create psychologically safe teams that learn and improve through challenges. We will share worksite problems across departments and organizations and, together with our colleagues, tackle them through on-site thinking and actions.

In addition, in order to increase the effectiveness of the systems that have been put in place thus far, we will work to improve the ability of the entire organization to get things done through such measures as identifying and dealing with serious risks across departments and organizations, implementing practical training and improving technical capabilities, and making improvements based on understanding the actual situation using the principle of the "three actuals." In order to meet customer expectations and gain society's trust, the management team is taking the lead while the entire JR-West Group works together to carry out the plan.

Regarding investment in safety, we have updated the JR-West Group Medium-Term Management Plan 2025 to increase investment in safety over the five-year period from fiscal 2024 to fiscal 2028 to 610 billion yen, an 80 billion yen increase from the initial planned amount. In recognition of the fact that safety remains our top priority, we will continue to steadily make needed safety investments based on the JR-West Group Railway Safety Think-and-Act Plan 2027.

Initiatives to improve safety

Key initiatives in JR-West Group Railway Safety Think-and-Act Plan 2027

Platform safety
- Maintain platform gates and safety screens to prevent train-involved accidents caused by customers falling off the platform


Platform safety screens

Railway crossing safety
- To prevent collisions between trains and large vehicles at railroad crossings, install devices that verbally notify train drivers when a vehicle is stuck on the crossing

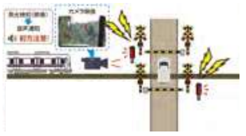


Image recognition system

Earthquake countermeasures
- Implement measures to improve safety during earthquakes, such as seismic reinforcement and installation of derailment prevention guards


Derailment prevention guards

Object-based and policy-based improvements
- Enhance safety through object-based and policy-based improvements
- Provide safe and reliable transportation (improve transportation quality)

Create a culture that puts safety first
- Establish management that prioritizes on-site decisions
- Promote a mindset of putting customers first and meeting their expectations


Think-and-act training

Strengthen framework to ensure safety throughout the organization
- Improve quality of risk assessment
- Create psychologically safe teams
- Aim to solve issues through on-site thinking and actions


Emergency headquarters training

Safety think-and-act initiatives by each individual
- Share and actively practice the five values we want to cherish


Practicing safety think-and-act

Connect with society and learn from outside the company
- Engage in dialogue with relevant organizations regarding responses to natural disasters and other incidents
- Learn from and implement safety measures used by other railway companies and related organizations

■ Review of fiscal 2025

Taking seriously the fact that in fiscal 2024, there were two train labor accidents that resulted in the loss of the lives of our fellow workers, we steadily implemented safety measures based on an understanding of the actual situation. Thanks to continuing efforts to improve the capabilities of each organization in achieving safety goals, in fiscal 2025, we were able to prevent train accidents resulting in casualties among customers or employees. With regard to object-based improvements, our platform safety, railway crossing safety, and earthquake countermeasures progressed as planned. Regarding efforts to realize our desired state, we continue to undertake safety diagnoses, internal audits, third-party evaluations, and in-house questionnaires to ascertain the current situation. We are also working to improve safety by digging deeper into areas where there are issues, such as the creation of psychologically safe teams.

Objectives over the 5 years through FY2028		FY2025 results	
Train accidents that result in casualties among customers	None	None	
Train labor accidents that result in fatalities among employees	None	Total 2 (no incidents in FY2025)	
Objectives to achieve by FY2028		**Results at the end of FY2025**	
・**Object-based improvements** **Platform safety** Among stations covered by the barrier-free fare system,			
1. Install platform gates at stations with more than 100,000 passengers	Installation rate: 60%	1. Installation rate: 48%	Progressing as planned
2. Install platform gates or platform safety screens at stations with fewer than 100,000 passengers*	Installation rate: 50%	2. Installation rate: 21%	
Railway crossing safety Install devices that verbally notify train drivers when a large vehicle is stuck on the crossing			
1. Railroad crossings equipped with radio notification systems	Installation rate: 90%	1. Installation rate: 76%	
2. Railcars equipped with image recognition systems	Installation rate: 60%	2. Installation rate: 7%	
Earthquake countermeasures Earthquake countermeasures for the Sanyo Shinkansen			
1. Measures to prevent structural collapse (bridge pier reinforcement)	Installation rate: 100%	1. Installation rate: 92%	
2. Measures to prevent large track subsidence (reinforcement of rigid frame abutments)		2. Installation rate: 54%	
3. Measures to prevent significant train deviation (installation of derailment prevention guards in high-priority sections)		3. Installation rate: 78%	
・**Desired state** A state in which a safety-first culture is fostered, a system for ensuring safety throughout the organization is established, and safety think-and-act initiatives are practiced by all individuals		Management that prioritizes on-site decisions, a mindset of putting customers first and meeting their expectations, the creation of psychologically safe teams, on-site thinking and actions, and thinking and actions based on the five values we want to cherish	

Note: The installation rate is calculated based on the planned number of installations at the time the objectives to achieve were set.
*The installation rate for "Platform safety 2." includes platform safety screens at stations with over 100,000 passengers.

Examples of specific initiatives

Passenger rescue and relief training in collaboration with JR Kyushu (Shimonoseki Station)

Although the area between Shimonoseki Station and Moji Station on the Sanyo Main Line is in the JR Kyushu area, we have established new rules so that if trains are suspended for a long time in this section, JR-West will be able to rush to the rescue and relief of passengers. In December 2024, we conducted training using an actual train and confirmed that we could safely rescue and provide relief to passengers based on the new rules, including contacting the police and fire department, confirming one another's responsibilities, and determining evacuation routes.


A scene from the training

We confirmed the new inter-company rules for the prompt rescue and relief of passengers

About 50 people from JR-West participated in this training, and I took part as team leader.

Although JR Kyushu and JR-West use different rules and terminology, we were able to confirm in advance how everyone should act under new rules that facilitate smooth cooperation with JR Kyushu employees as well as colleagues working in other departments of JR-West.

If a passenger ever needs rescue or relief, I am ready to put to use what I have learned to respond quickly and reliably.


Shimonoseki Station,
Chugoku Regional Head Office
Ryuji Kodama

Creating psychologically safe teams (Transport Safety Department)

In the JR-West Group Railway Safety Think-and-Act Plan 2027, we are working to create psychologically safe teams that respect each other, openly express opinions, and learn and improve through challenges.

Ensuring psychological safety and appropriate communication helps to ensure safety not only in normal situations but also in tense situations, such as emergencies that involve setting up emergency headquarters. We are working to ensure that psychological safety becomes firmly established by repeatedly conducting rank-specific training, including for management, and by repeatedly carrying out training that simulates extraordinary situations.


Key person training

Encouraging employees of all different ranks to improve safety and share best practices

In order to create psychologically safe teams, we conduct top safety management training for senior management and new site manager training for newly appointed site managers. First, we foster an understanding that creating psychologically safe teams will lead to improved safety, and after that, we discuss with our colleagues the specific actions we should take, starting with the creation of opportunities to take on challenges.

We also train key persons in each workplace and accumulate and share good practices. At the same time, we hold railway safety symposiums where attendees can learn about excellent practices, both inside and outside the company, with the aim of encouraging them to incorporate these at their own workplaces.


Transport Safety Department,
Railway Operations Headquarters
Yuki Watari

Examples of specific initiatives

Spreading the use of optical illusion stickers to improve platform safety
(Osaka Conductors Unit)

The Osaka Conductors Unit has improved safety by using optical illusion stickers to prevent customers from getting too close to trains on the platform. In addition to using a non-slip material for the stickers, consideration was also given to preventing misunderstandings by crew members. After this effort was shared on the company intranet, it spread to other departments and was introduced in the Hiroshima area in fiscal 2025.


Optical illusion sticker

Our way of improving platform customer safety is being adopted as a good practice within the company

Efforts to prevent train accidents that result in the death or injury of customers are not handled solely by train crews but are enhanced through cooperation among various departments. This initiative came from a meeting of workplaces along the JR Kyoto Line. We were able to work together to address the problem based on a shared understanding that there is a risk of customers getting stuck in doors or coming into contact with the train due to people standing between the train and tactile paving on the platform. We are very pleased to see this initiative continue to be rolled out in other areas.

Osaka Conductors Unit,
Kansai Regional Head Office
Masato Ishii

Awareness campaign for farmers along railway lines to prevent disruption by flying objects
(Fukui Shinkansen Electric Section)

In order to prevent train stoppages due to agricultural plastic sheets clinging to overhead wires during strong winds, the Fukui Shinkansen Electric Section is conducting awareness-raising activities for farmers along the line, such as by creating strongly themed posters emphasizing a desire not to disrupt the Shinkansen nor our customers' experience.

In April 2024, an article about this was published in a promotional publication distributed to farmers along the line.

Awareness-raising poster

Ensuring safe and stable transportation by anticipating risks based on past events and raising local awareness

We conduct training to enable us to respond smoothly in the event that a flying object attaches to railroad equipment, such as overhead wires. Unlike natural disasters, we believe that flying object-related disruptions can be reduced by fostering better understanding among, and cooperation of, local residents; thus, we decided to also conduct awareness-raising activities. This activity coincided with the opening of the Hokuriku Shinkansen between Kanazawa and Tsuruga, and we thought about what we could do for the customers and local residents who were looking forward to the opening. We will continue to strengthen our collaboration with external and internal stakeholders and will provide our customers with the assurance that the Shinkansen is running safely and stably.

Tsuruga Office,
Fukui Shinkansen Electric Section,
Kanazawa Branch
Chikara Maeda

Sincerely addressing the expectations and needs of diverse customers in striving for people-friendly transportation

Barrier-free initiatives

Basic approach

- We strive to meet the expectations and needs of a diverse range of customers, including those with disabilities and the elderly, so that everyone can use our railways safely and with peace of mind.
- We strive to improve our services, both in terms of object-based improvements, such as providing barrier-free facilities, and policy-based improvements, such as employee training.

Object-based

Improving safety on station platforms is an important issue and we are installing platform gates and safety screens to prevent accidents caused by falls from the platform.

- Installing platform gates and safety screens
- Installing elevators and accessible toilets
- Barrier-free design in railcar manufacture and renewal

Policy-based

First, our employees strive to provide appropriate assistance, be responsive, and reach out and talk to customers. We are also working with other customers to ensure that everyone can use our services with peace of mind.

- Enhancing employee mindset and assistance skills
- Enhancing provision of easy-to-understand information
- Reaching out and watching over by employees
- Awareness-raising relating to proper usage of priority seats and accessible toilets

Initiatives based on customer feedback

In order to achieve customer-oriented management, we are working to solicit the voice of the customer and to utilize it in improving service quality. For opinions, requests, and inquiries, station staff and train crew members serve as a point of direct contact. We have also set up the JR-West Customer Center for people to contact us by phone or email.

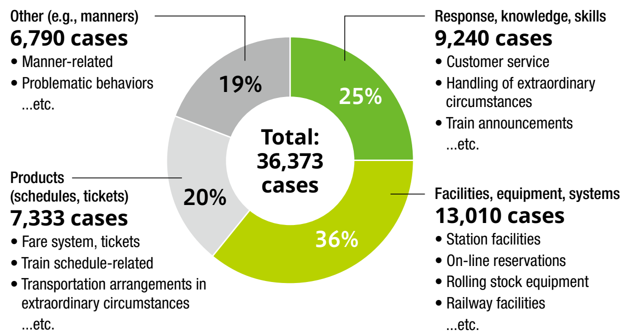
We promptly check and respond to the opinions and requests we receive, centrally manage them in a database, and coordinate with the relevant departments so that these opinions and requests can be reflected in our policies and lead to service improvements and countermeasures.

From October 2024, we have also begun to collect employee feedback so that we can apply the ideas that employees have gained from actually using our services to improve our services.

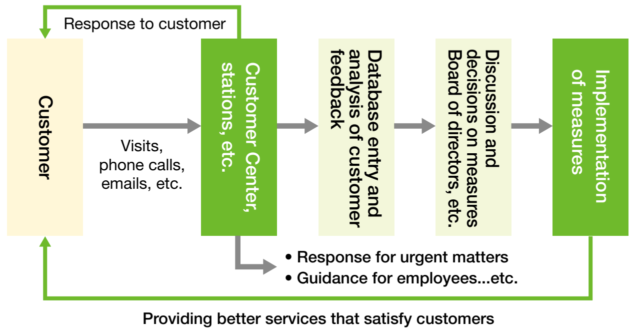
Additionally, we conduct a customer satisfaction survey every year to evaluate our services at various points of contact with customers. In the Medium-Term Management Plan 2025, in addition to service satisfaction, we are focused on recommendation level (NPS: net promoter score) and are conducting a more multifaceted analysis.

We share these customer needs across the company, including with management, in order to further improve our services.

Feedback and requests (FY2025)



Customer feedback flow



Improvement example

Floor display of exit direction on Kuroshio (Ocean Arrow train)

Eliminates confusion when there is only one entrance/exit on one side of the railcar


Before
After

Vibrant communities where people move about freely

JR-West Group's approach to vibrant communities where people move about freely

Given Japan's declining population, aging society, and falling birthrate, the JR-West Group recognizes that increasing regional value through revitalized activity and interaction among people and businesses, starting in western Japan, is an important issue for both the region and the Group. As a company that coexists with communities, the Group is working to revitalize the areas along its railway lines, including through regional development centered on public transportation, while pursuing co-creation with a range of local partners.

Through these efforts, we aim to realize a future in which regional appeal is enhanced and the number of permanent residents, along with the size of non-resident populations, is increased.

Key risks

- Decrease in service providers due to a shrinking market caused by depopulation and other factors
- Decline in facility profitability due to rising construction costs
- Widening disparities between cities and nonurban regions leading to the deterioration of local communities
- Overtourism leading to friction and conflict within local communities

Key opportunities

- Increase in local grassroots revitalization efforts and national support for nonurban regional revitalization
- Participation in regional development and revitalization based on urban regeneration policies
- Increase in service users due to booming domestic and inbound tourism
- Increase in traffic drawn by attractive content such as rich nature, scenery, and culture

Initiatives

Development of major stations

- Inogate Osaka
- JP Tower Osaka
- Umekita Green Place
- minamoa (new Hiroshima Station building)
- Development of new Sannomiya Station building

Creating places that build communities

- Nishi-Akashi Station south district
- Mukomachi Station east district

Value creation spurred by Expo 2025

- Building a foundation for safety and growth for the future
- Enhancing the presence of the JR-West Group

Inbound tourism initiatives

- Targeting 60 million visitors to Japan

Enhancing and promoting regional appeal to generate vibrancy

- Setouchi Palette Project
- Community-wide efforts
- Wow Ride® Ikossa Fukui-go, a new XR bus
- Twilight Express Mizukaze

Sustainable society

- Forest Festival of the Arts Okayama: Clear-Skies Country (⇒ p.59)

Social value

- Generating vibrancy by leveraging local connections and railway networks to foster non-resident populations
- Revitalizing the local economy by enhancing and promoting regional appeal as a community-wide effort
- Addressing local and societal issues by creating safe and secure communities

Economic value

- Creating new business opportunities by leveraging regional attractions
- Promoting wide-area travel in western Japan through content development in collaboration with local communities
- Strengthening the Group's revenue base through regional development projects

Key materiality-focused initiatives

Development of major stations

Inogate Osaka
- Barchica 03 retail complex
- Offices
  Rental meeting rooms, flexible workspaces

Opened July 2024

Directly connected to the Osaka Station ticket gates (west exit), this station building features office areas that accommodate diverse work styles. It is also highly convenient, being connected to surrounding facilities by a second-floor walkway.

Photo by Akira Ito, Aifoto

JP Tower Osaka*
- KITTE Osaka retail complex
- Sky Theater MBS
- The Osaka Station Hotel (a premium hotel)

Opened July 2024

By establishing one of the largest office and retail complexes in western Japan, which includes a theater and a luxury hotel, we're helping bring a new level of vibrancy to the area around Osaka Station.

*Joint venture with Japan Post Co., Ltd. and JTB Corporation

Umekita Green Place

Opened March 2025

As the gateway to the Umekita phase 2 area, we built a lush, green station building and plaza, connected by a pedestrian access deck, which contributes to further enhancing the value of the entire area.

New Hiroshima Station building, minamoa retail complex Hotel Granvia Hiroshima South Gate

Opened March 2025

In conjunction with the creation of a vibrant environment with a new station building, we are enhancing the allure of the area through a more convenient transportation network that includes streetcars stopping at the JR station ticket gates.

Development of new Sannomiya Station building

Scheduled to open in FY2030

We will develop a new station building to showcase the appeal of Kobe and increase the hub functionality of the area through the construction of pedestrian walkways and urban development in collaboration with the local government and nearby businesses.

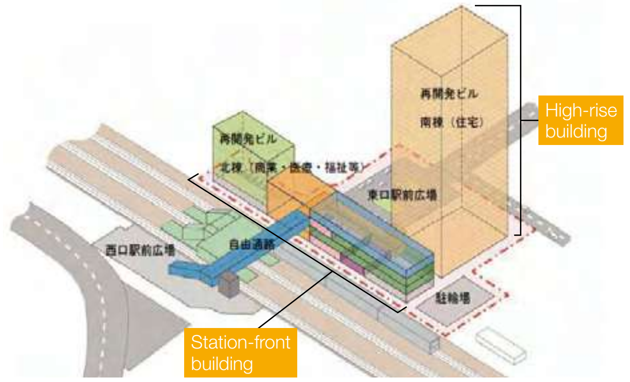
Creating places that build communities

JR-West is working with governments and surrounding businesses and leveraging its strength in public transport networks to develop urban areas along train lines, including areas beyond hub stations.

Vision Developing solutions to regional issues in partnership with the city of Akashi while realizing a convenient, livable community by taking advantage of our wide-area rail network

Nishi-Akashi Station south district

Vision Creating a community where people want to go to work by attracting a diverse range of startups and leading-edge companies



Mukomachi Station east district

Value creation spurred by Expo 2025

Building a foundation for safety and growth for the future

Transporting visitors to the Expo

- Ensured smooth visitor transportation through operation of Expo Liner trains between Shin-Osaka and Sakurajima stations, and by increasing the frequency of trains on the JR Yumesaki Line and Osaka Loop Line
- Further improved the quality of safe, reliable transportation and customer service through comprehensive responsiveness to emergencies and accommodation of diverse visitors


Station renovations and other infrastructure improvements

- Improvements to Bentencho Station (where people transfer to get to the Expo) to enhance barrier-free facilities and accommodate passenger demand with an eye toward the future development of Yumeshima
- Installation of platform gates (Bentencho and Nishi-Kujo stations) to improve safety


Bentencho Station

Opening of an official store at the Expo site

- Development of new products through collaborations both within and outside the Group
- Provision of new purchasing experiences, such as e-commerce and off-site pickup


New initiatives

- Acceleration of open innovation in the healthcare field, including sponsorship of a body measurement pod at the Osaka Healthcare Pavilion through JR West Labo
- Establishment of travel plans that include an extra destination and acceleration of digital tourism through Tabiwa and other services


Body measurement pod

Enhancing the presence of the JR-West Group

Promoting the Expo inside and outside the venue

- Before and throughout the Expo period, we held events to promote the Expo in collaboration with domestic and overseas stakeholders at the Toki no Hiroba Plaza at Osaka Station and at Benten Hiroba Plaza at Bentencho Station.


Momentum-building event 50 days prior


Linq Vision (Toki no Hiroba Plaza)


Hosting an event (Benten Hiroba Plaza)


Expo closing event

Inbound tourism initiatives

Targeting 60 million visitors to Japan

The number of visitors to Japan is expected to continue growing. An important issue for the JR-West Group is to expand customer travel demand from urban areas, where it is currently concentrated, to nonurban areas.

In order to continue to attract more overseas visitors to western Japan, the entire JR-West Group is working on three initiatives: expand the appeal of western Japan, encourage people to choose western Japan in advance as a travel destination, and thoroughly resolve any problems that they may have during their trip.

Expanding regional appeal | Together with the local community

Western Japan is home to many attractive travel destinations that are not yet well known among inbound tourists. In order to further enhance these attractions through collaboration with local communities, we concluded a partnership agreement with Fukui Prefecture in September 2024 that focuses on inbound tourism. Through this agreement, we are carrying out efforts such as the development of inbound tourism-focused content that utilizes Fukui Prefecture's traditional industries and joint overseas promotions.

We will continue to contribute to creating value for the region by attracting inbound tourists while addressing local issues.

Choosing western Japan in advance | Promotions that integrate the real and digital worlds

Considering the importance of online and social media as an information source for travelers in each market, we are strengthening our social media presence and have revamped our multilingual website.

Official social media account status (as of October 2025)

- Instagram (English, Korean, traditional Chinese, Indonesian)
- Red, Weibo, WeChat (simplified Chinese)
- Facebook (English, traditional Chinese, Thai)
- We are also considering launching YouTube and TikTok accounts.

Multilingual site revamp (as of October 2025)

The site was fully redesigned as of March 31, 2025, with expanded content including information on sightseeing in western Japan, how to use the railways, and on campaigns. The site has been redesigned to be easier for foreign visitors to understand. New features will be introduced in the future, such as digital maps and a rail travel planning tool that utilizes AI, to further improve convenience.

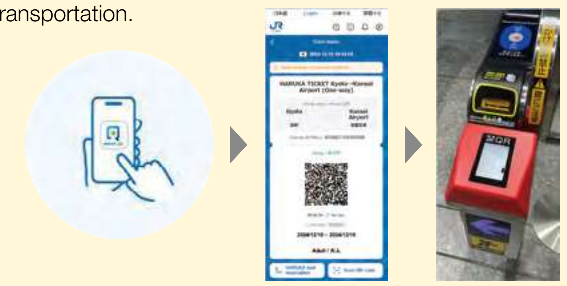
At tourism expos and during overseas sales activities, we listen directly to customer feedback, actively introduce our multilingual website, and collaborate with social media. This way we are strengthening promotions that combine real-world and digital channels in order to attract more visitors to western Japan.

Eliminating travel-related difficulties | Providing smooth and comfortable travel

Inbound tourists face a variety of challenges, including the language barrier. We believe that thoroughly addressing these problems and enabling tourists to travel safely and comfortably in western Japan will lead to repeat visitors and encourage word-of-mouth to those around them.

In February 2025, we launched the WEST-QR service for certain products for inbound tourists. This allows them to pass through ticket gates by displaying a QR code on their smartphone. By purchasing products at overseas travel agencies before visiting Japan, there is no need to wait in line at ticket counters or ticket machines in Japan.

We will continue to listen to the feedback from our inbound customers and strive to provide safe and smooth transportation.



Enhancing and promoting regional appeal to generate vibrancy

Setouchi Palette Project

A project aiming to make the Setouchi area a world-class destination—a place where people will want to live and visit

Centered on high-growth-potential tourism, we are challenging ourselves to develop a virtuous cycle of urban development in cooperation with local communities and businesses. Together with a diverse range of stakeholders, we are working to develop sustainable communities while making the most of Setouchi's resources, such as its beautiful islands and ocean scenery, culture, and history.

Increasing customer value

With the aim of making the Setouchi area an attractive place that people from all over the world will want to visit, we are collaborating with Saffron Brand Consultants, which handles corporate and place branding around the world, to research and analyze the experiential value of travel in Setouchi and to pursue its unique appeal.

In promotions aimed at raising awareness of Setouchi, we will work with media aimed at visitors to Japan to disseminate tour itinerary examples and create and promote authentic tourism experiences unique to Setouchi, thus further enhancing its value as a travel destination.

Increasing regional value

We aim to create communities where people can continue to live happy and prosperous lives. In addition to collaborating with local communities and businesses to launch a human resources project aimed at discovering and nurturing local leaders, we are also considering a financial support system to enable the continuous creation of new businesses.


Exchanging opinions with Saffron Brand Consultants


Fieldwork in Onomichi conducted as part of a human resources project

Community-wide efforts

In order to create vibrant communities where people move about freely, it is essential to enrich people's lifestyles in a way that suits the characteristics of each area along the railway lines. We are working together with local communities to create areas along railway lines that everyone will want to visit or live in.

The reconstruction of Noto

In order to facilitate restoration and rebuilding following the Noto Peninsula earthquake and the heavy rains in Oku-Noto in 2024, we have expedited the resumption of operation of the Nanao Line and Noto Railway and have also resumed operation of the Hanayome Noren sightseeing train. We are also working to encourage more people to visit Noto, such as by planning and conducting tours in collaboration with the Noto Kagaribi express train and the Noto Railway Disaster Storyteller Train. In addition, we are part of the Wakura Onsen Creative Reconstruction Urban Development Council, a local initiative. In collaboration with the Nanao Chamber of Commerce and Industry and others, we are also supporting economic recovery by expanding sales channels for local products through temporary sales at stations, sales of Noto specialty products at the Kanazawa Gift Shop, and sales of products through a direct-from-producer online shop.


Welcoming passengers at Wakura Station on the day the Hanayome Noren train resumed operation

Invigorating the community through sports

We support local sports teams and work to liven up the area by setting up message boards at stations, operating ad-wrapped trains, and holding events at sponsored games. Furthermore, to spread the excitement of games to the entire community, we hold stamp rallies using our WESTER App (travel navigation app) and other such efforts in cooperation with sports teams and local residents.


Message board at Hiroshima Station (for Hiroshima Toyo Carp fans)

Stamp rally

Wow Ride® Ikossa Fukui-go, a new XR bus

Using XR to revitalize tourism in Hokuriku (Fukui Prefecture)

The Wow Ride Ikossa Fukui-go is an XR bus that connects Fukui Station and the Fukui Prefectural Dinosaur Museum, Fukui Prefecture's premier tourist attraction. Inside the bus, AR and VR images are used to project the world of dinosaurs, as well as the history and culture of Fukui Prefecture. The bus is also equipped with an AI dialogue system that lets you talk to the characters in the images. These cutting-edge technologies allow you to feel immersed in a virtual world simply by sitting on the bus.

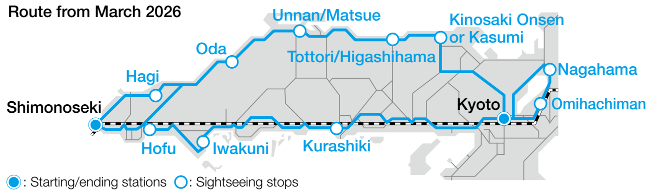
The Hokuriku Shinkansen line between Kanazawa and Tsuruga began operations in March 2024, and major tourist destinations are scattered throughout Fukui Prefecture. In order to maximize the benefits of the Shinkansen opening, it was important to develop secondary access to each area. This led to the launch of the XR bus business in June 2024 as a direct public transportation system to major tourist destinations in Fukui, including the Fukui Prefectural Dinosaur Museum.

The introduction of the XR bus has shortened travel times between major tourist destinations in Fukui, particularly between Fukui Station and the Fukui Prefectural Dinosaur Museum and has improved secondary access. It also plays a part in promoting understanding of Fukui's history and culture, including dinosaurs, and fosters media-driven promotion of the appeals of the prefecture.

Furthermore, by promoting the appeals of Fukui and attracting customers who simply want to ride the bus, the XR bus is helping to increase the use of the Hokuriku Shinkansen.

Twilight Express Mizukaze


Passengers welcomed at Hofu Station



A flagship train with a mission of promoting local attractions and revitalizing the region

Based on the concept of "A hotel rolling through the beautiful Japanese landscape. Superior quality with a touch of nostalgia," the train offers a special experience, featuring carefully designed carriages, spectacular window views, and exquisite meals, as well as the charms of the area along the route, all delivered with first-class hospitality by the crew. Since 2017, the Mizukaze has offered passengers a special journey. In addition to providing the best possible service to satisfy our customers, our mission is to journey hand in hand with the local community. Through the operation of the Mizukaze, we aim to discover and promote the attractions and products of the areas along the route, thereby helping to revitalize the region. The train incorporates traditional crafts from these areas in its décor, offers meals supervised by renowned chefs and made using the finest local ingredients, and provides special sightseeing experiences organized in conjunction with local residents. To provide further value and expand the train's positive effects, we are continually refining our services. These include revising stopover destinations, accepting more overseas visitors, and launching a new route around Lake Biwa in spring 2026. We will continue to strive to be the flagship train of the JR-West Group, delighting both passengers and local communities.

Convenient and abundant lifestyles for all people

Special roundtable

Pursuing customer-oriented management that sincerely listens to what customers have to say in order to build a future that stirs hearts

At JR-West, with safety as our top priority, we are working to enhance the value of the experiences our customers have with our services and products at every point of contact. By doing so, we hope customers will feel truly satisfied with JR-West, leading to repeat use as well as attracting new customers.

Akira Inoue (vice president and representative director, Railway Operations Headquarters senior general manager), Takeshi Fukano (CS Promotion Office general manager), and Yuri Nagano (CS Promotion Office chief) discussed the background to and their thoughts on strategies under the Medium-Term Management Plan 2025 and future challenges.

Our ideal customer-oriented management

Fukano (moderator): We place great value on the belief that everything we do is connected to our customers. This is reflected in our CS Vision (what we want our customers to feel) and our CS Think-and-Act Declaration (the basis for our thinking and actions), by which we are continuously working to improve CS (customer satisfaction) (Fig. 1). In the Medium-Term Management Plan 2025, we are taking our efforts one step further by establishing strategies for improving the value of customer experience and gaining customer loyalty*1. Mr. Inoue, could you first tell us about the background to this and your thoughts on it?

Inoue: Based on our determination to never again allow an accident like that on the Fukuchiyama Line to occur, we have been working to improve customer satisfaction by making safety our top priority as we think about how to meet customers' expectations. This basic stance will remain unchanged, but due to changes in people's behavior and lifestyles following the pandemic and dramatic advances in digital technology, customers' values and the level of service they demand are becoming increasingly diverse and sophisticated. Competition is no longer just about rival transportation options. Our starting point needs to be asking what our customers value and to then sincerely listen to the voice of the customer (VoC)*2 so that we can use various customer contact points to provide the experiential value they have chosen. Such efforts are important as they help us earn customer loyalty, which encourages repeat usage, and attract new customers. This sentiment is embodied in customer-oriented management.

Fukano: To achieve this, we need to reflect on the entire series of actions customers take, and then collaborate across different workplaces, departments, and group companies so that the entire JR-West Group can provide services that meet customers' expectations.

Inoue: Yes, that's right. By making management decisions based on VoC, we create social and economic value, which in turn leads to employee pride and job satisfaction. This is a virtuous cycle that we want to maintain. Customer-oriented management is a concept connected to sustainability management.

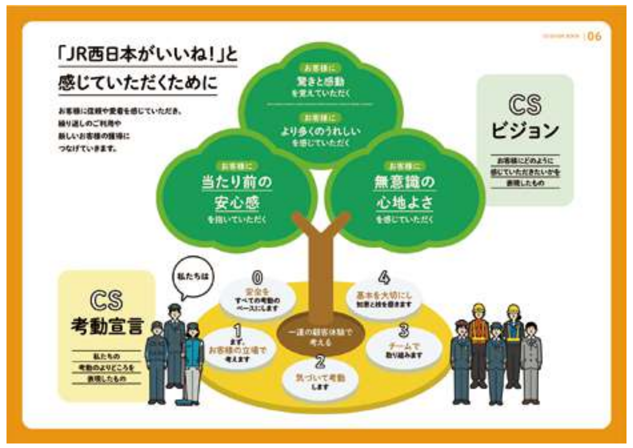


Fig. 1: CS Vision and CS Think-and-Act Declaration

*1 Customer loyalty: Customers' trust of and attachment to JR-West, its products, and its services

*2 VoC (voice of the customer): Customer inquiries, opinions, and requests; results of satisfaction surveys; employee feedback; etc.

A value creation cycle that starts with VoC

Fukano: The JR-West Customer Service Center receives about 2,000 customer voices (inquiries, opinions, requests) per day. All of these are stored in a database, and we have tools that allow employees to view and analyze them. We also have an AI app that automatically summarizes the content of phone conversations, reducing the workload while also addressing VoC more deeply.

Inoue: VoC provides us with many customer insights (i.e., hidden needs and intrinsic motivations). We need to not just address the immediate problem, but to think deeply about the background and underlying causes and then take action within the context of a value creation cycle that starts with VoC (Fig. 2). At meetings attended by Railway Operations Headquarters executives, discussions on monthly VoC are held to make improvements. Recently, in response to feedback about overcrowding at Midori no Madoguchi ticket offices, we have taken direct action such as keeping all counters open during busy periods at terminal stations and introducing a queue number system. We have also significantly increased the number of regular and enhanced-feature Green ticket vending machines and operators and have expanded the range of products available. We use each customer voice we receive as a starting point to identify underlying issues, and we address them

Special roundtable

from multiple angles. This is one example of many such cases.
Fukano: To implement a value creation cycle that starts with VoC, we began by researching NPS*3, which has a strong correlation with future revenue. We then created a customer journey map (Fig. 3) consisting of 13 customer experiences. By structurally capturing the relationship between the experiences at each contact point and NPS, we found that there are several experiences that have a particularly large impact on NPS. We have set four of these as priority areas for the Medium-Term Management Plan 2025 period and are working with relevant departments to improve the experiential value. Specifically, we made improvements to the user interface of the JR Odekake Net website and multiple reservation systems to make them easier to look up information before traveling, purchase tickets, and make reservations.
Inoue: Our goal is to continue to improve the quality of our service based on customer feedback so that customers are provided with an experience that leaves them feeling truly satisfied with JR-West. In addition to tangible improvements, intangible improvements are also extremely important, namely how our employees think and act. We want our railway service to be more than just a means of transportation but a positive, memorable experience.

*3 NPS (net promoter score): Customer recommendation level

Enhancing JR-West Group brand value by gaining customer loyalty

Nagano: These ongoing efforts to gain customer loyalty will lead to increased brand value for the JR-West Group in the medium to long term.
Fukano: Tell us about what you are doing to improve brand value.
Nagano: The branding we are aiming for is to have the JR-West Group recognized among our various stakeholders as an entity that evolves connections among people, communities, and societies, and stirs customers' hearts and drives the future. This is not something that can be achieved overnight, but by continuing even the small things, we believe we can differentiate ourselves from others in the long term and that this will lead to trust and attachment from our customers.

From this perspective, we first set our target on passengers with children and have begun efforts to help them use the railway smoothly and without hesitation. We have received a lot of feedback, particularly regarding passengers using trains with strollers. In an effort to alleviate these concerns even a little, we gave stroller spaces inside Osaka Loop Line trains child-friendly designs (Photo 1) in time for Expo 2025 and set up a baby care room at Osaka Station where passengers can breastfeed.

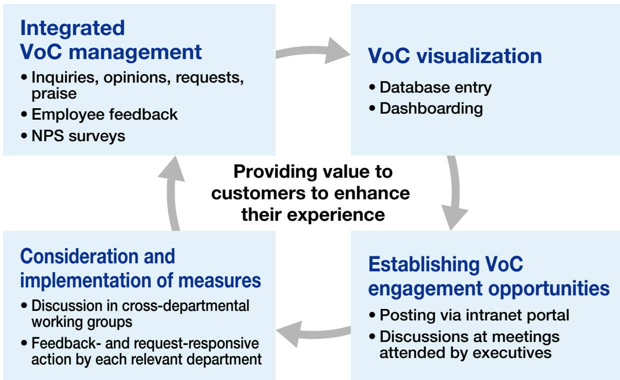


Fig. 2: Value creation cycle that starts with VoC

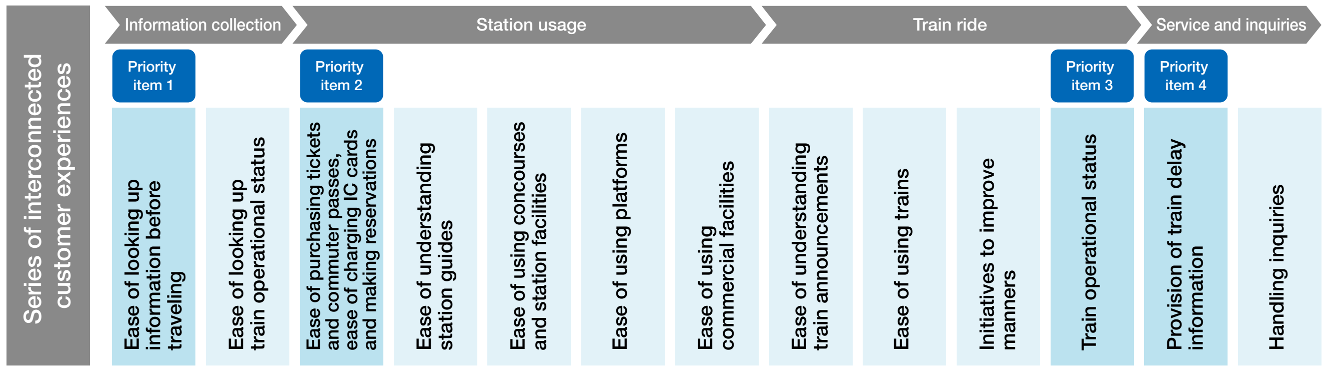


Fig. 3: Customer journey map

Photo 1: Child-friendly designs in the stroller space (Osaka Loop Line 323 series)

In addition, we share information about initiatives across the entire Group, including those at shopping centers and hotels, via a dedicated website (Mirai Family Outing Support Portal*). Although many JR-West Group companies are undertaking various efforts, we felt it was a problem that this information was being released separately. To enhance our brand value, we are working to communicate these efforts in a consistent, unified way.

By continuing to provide information and spaces that allow for safer and more comfortable use of our services to customers with children, we hope to foster widespread recognition of JR-West as a company that supports child-rearing, and thereby increase the brand value of the JR-West Group.
Fukano: Recently, in addition to passengers with children, we have also received positive feedback from people with disabilities and the elderly. They've said things like they were able to travel safely at their own pace and that the kind words of station staff helped to ease their anxiety.
Inoue: I hope we can continue to communicate how we offer safe, secure, and enjoyable services unlike what other railway companies provide. I feel that the keywords "fun" and "enjoyable" are very important.
Fukano: Yes, you're right. I believe that our customers appreciate our functional aspects, such as speed and comfort, but if they can also receive emotional value, such as fun and excitement, they will feel even more strongly that JR-West is a great company. We aim to continue to evolve as a corporate group that stirs customers' hearts and drives the future by providing services with emotional appeal.

Inoue: A new medium-term plan will begin next fiscal year. Collaboration across the fields of mobility services and life design is essential for sustained growth. The starting point for collaboration is, of course, the customer. Going forward, we must understand the customer journey across both fields and use this to gain a deeper understanding of our customers, thereby improving experiential value across the entire Group.

First, we will hone our customer-oriented management in our railway company before expanding it to the entire Group. Another thing is, "There is no CS without ES (employee satisfaction)." This means that improving the employee experience is essential to improving the customer experience. I want to build more engaging work processes and develop systems and tools that help us provide services that truly satisfy our customers.

Going forward, the entire Group will continue to work as one under the motto of customer-oriented management.

*Mirai Family Outing Support Portal

Convenient and abundant lifestyles for all people

JR-West Group's approach to fostering convenient and abundant lifestyles for all people

The JR-West Group recognizes that offering a convenient way of living—one that suits each person's needs in both work and leisure—alongside "lifestyles connected by railways," which span everything from railways and mobility services to communities along railway lines and in digital spaces, is essential for gaining customer loyalty.

In particular, the expansion of the life design field, which is not necessarily linked to people's movement, is an important element in this challenge. That is why we are working to provide services that meet the needs of each customer, combining the benefits of the real world with the convenience of the digital world. Through these efforts, the JR-West Group aims for a future in which the value of customer experience is greatly enhanced.

Key risks

- Decline in competitiveness due to deterioration in service quality resulting from delayed adoption of technology
- Business interruption due to increasingly sophisticated cyberattacks
- Sudden decline in demand for railway-centered services due to outbreaks and epidemics of infectious diseases
- Customer loss due to delayed adaptation to diversification of individual tastes, values, and consumption behavior

Key opportunities

- Gaining a competitive advantage by adopting digital technology that improves convenience
- Sophistication and fine-tuned marketing thanks to technological advances such as data analysis
- Increase in service users due to booming domestic and inbound tourism
- Acquisition of new customers by providing services adapted for the diversification of individual tastes, values, and consumption behavior

Initiatives

For gaining customer loyalty

Maximizing group synergy through WESTER world

- Launch of new Wesmo! payment service
- Start of QR ticket service
- Evolution of Mobile ICOCA

Creating experiential value by combining the real and digital worlds

- Encouraging use based on individual customers' needs
- Group marketing efforts that foster collaboration between businesses
- "Let curiosity move you" campaign

Contributing to convenient and abundant lifestyles through new businesses

- Virtual Station metaverse space
- Jobjobgo human resources matching service
- +PLACE workplace reservation platform
- Bell-naru business co-creation program

Information security initiatives (⇒ p.115)

Social value

- Improving quality of life by creating experiences matching individuals' diversifying tastes and values
- Contributing to enriching lives by providing seamless transportation services
- Addressing social issues through co-creation with partners

Economic value

- Increasing service users by providing experiential value that combines the real and digital worlds
- Creating diverse monetization points through new businesses
- Increasing service users through 1-to-1 marketing
- Raising repeat rates by heightening customer loyalty

Key materiality-focused initiatives

For gaining customer loyalty

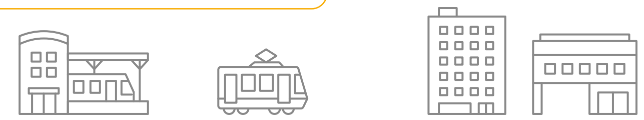
In line with our CS Vision and CS Think-and-Act Declaration, and from the strongly held belief that everything we do is connected to our customers, we have been continuously working to improve the quality of our services.

In recent years, customer values have become more diverse and a more advanced level of service is expected. To encourage repeat use as well as new use, under the Medium-Term Management Plan 2025, we view customer behavior as a series of interconnected customer experiences (customer journey) and are working to refine and create experiential value at each customer contact point, both in real life and digitally.

The entire Group will work together in making concrete improvements to put customers first and meet their expectations and earning their loyalty (customer trust and attachment), which leads to sustained improvement in corporate value.

A digitally driven WESTER experience offering convenience, value, and fun

- App that connects you 24 hours a day, 365 days a year
- Payment services that make everyday life more convenient
- Points that are easier to accumulate and more appealing to use
- Recommendations and offers tailored to individual needs
- Group marketing that links businesses



WESTER experience

Series of interconnected customer experiences (customer journey): Setting goals → Before station arrival → Station arrival → On board → Station arrival → Destination

Specific examples of improvements

Improved ease of searching for railway usage information

- Improved convenience of JR Odekake Net
  - UI improvement
  - Station information page improvement

Improved ease of ticket purchasing

- Improved usability of online reservations (e5489)
- Introduction of Mobile ICOCA commuter passes for junior and senior high school students
- Expansion of ticket vending machine functions, including commuter pass refunds
- Introduction of queue number system at Midori no Madoguchi ticket offices at major stations
- Launch of QR ticket service

Operation of special trains and additional carriages during peak passenger periods
Timely communication of delay-related information

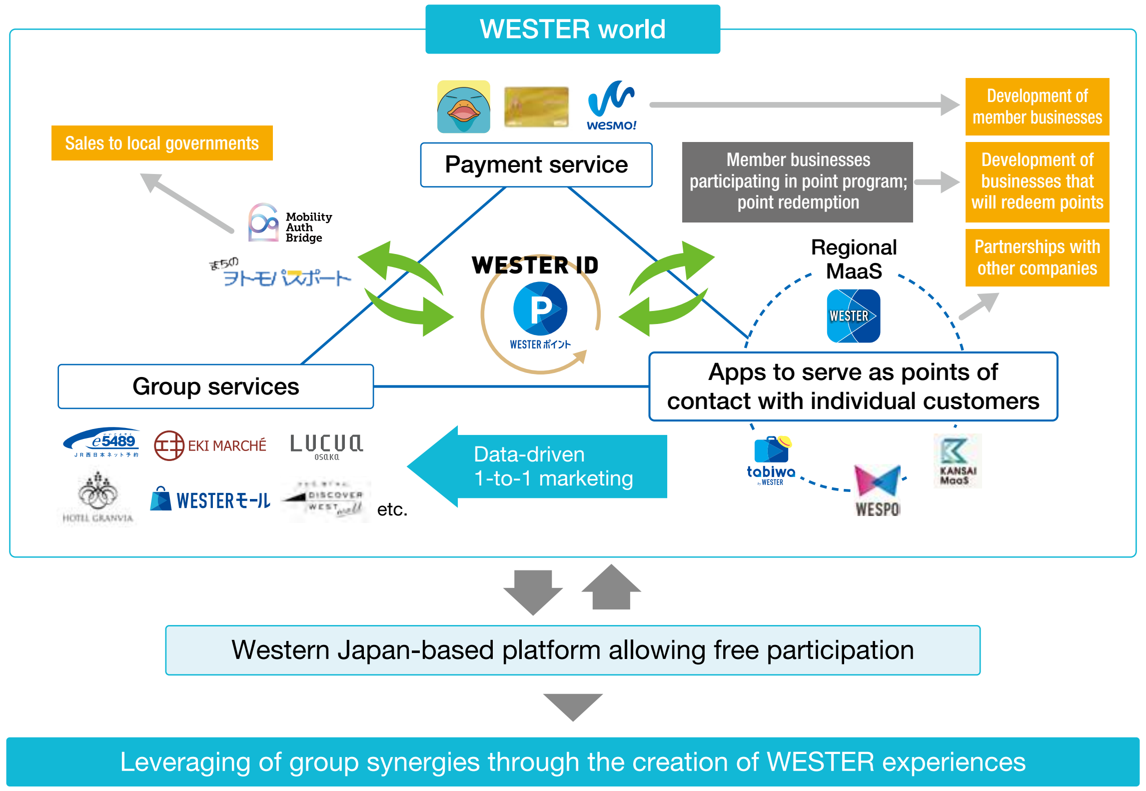
- Improvement of train status information functionality of the WESTER app
- Expanded information on train locating services
- Arrival times displayed on station departure boards at some stations

Dealing with abusive customers

In order for JR-West Group employees to continue thinking in customers' shoes to provide services that satisfy customers, it is important to protect the human rights of employees and create an environment where they can work safely and in good health, both physically and mentally.

In line with this, in 2024, we established the JR-West Group Basic Policy on Customer Abuse. We will continue to work towards providing safe and secure railway services by creating an environment where employees can work with peace of mind.

Maximizing group synergy through WESTER world



Based in western Japan, we are building an open platform (WESTER world) that combines our real-world strengths with digital technology. By combining our Group's real-world customer contact points, such as stations and shopping centers, with digital contact points (individual customer contact point apps and payment apps) that connect with customers 24 hours a day, 365 days a year, we aim to provide customers unprecedented convenience, value, and fun.

To that end, while maintaining an emphasis on real-world interaction, we are working on three "evolutions": evolution in how we connect with customers by improving app functionality and expanding the area of service; evolution in making points easier to accumulate and more appealing to use by expanding the range of unique point-related products; and evolution in Group marketing capabilities based on data.

We are also working to expand the number of WESTER members by running the Group-wide WESTER Festa! point collection incentivization campaign. By February 2025, the number of members had surpassed 10 million, far exceeding our initial target.

Launch of new Wesmo! payment service

In May 2025, we released a new cashless payment service called Wesmo!. JR-West became the first railway operator to be registered as a type 2 funds transfer service provider and offers Wesmo! as a payment method next to the ICOCA and J-WEST cards. It can be used at over 1.6 million locations nationwide, providing a convenient, rewarding, and enjoyable cashless experience.

Under a brand concept of "Moving is value," Wesmo! aims to provide value by revitalizing everyday activities such as shopping, dining, and traveling by train, thereby getting people and the economy moving.

For users, points are awarded for payments at all Wesmo! member businesses. For member stores and businesses, the benefits include the introduction of cashless payment with one of the lowest fees in the industry and the ability to receive payment proceeds as soon as the next day. In the future, Wesmo! will enable services such as topping up ICOCA cards and digital payroll payments, aiming for a future in which the lives of everyone involved with Wesmo! will be enriched.

Start of QR ticket service

In January 2025, in collaboration with private railways in Kansai, we launched a QR code discount ticket service under the Kansai MaaS initiative. We are subsequently releasing discount tickets that can be used by overseas customers, providing convenient and affordable travel for customers visiting Kansai from both within Japan and overseas for events such as Expo 2025. In the future, we will also transition to QR codes for tickets purchased from ticket vending machines and via online reservations, with the aim of building a sustainable transportation infrastructure.


Ticket reservations and payment
QR ticket shown on your smartphone
Hold QR code over ticket gate

Evolution of Mobile ICOCA

We are leveraging the Mobile ICOCA system to expand into other companies' commuter pass services. We also plan to support Shinkansen commuter passes and commuter passes that include stations outside the ICOCA area. By leveraging the features of the IC services already being offered by each company, ICOCA will accelerate its evolution into a sustainable service as a transportation payment infrastructure essential to daily life that supports connections between people, communities, and society.

Creating experiential value by combining the real and digital worlds

Encouraging use based on individual customers' needs

In order to realize our long-term vision of a future where the digital world is integrated with benefits of the real world to greatly enhance the individual customer experience, we are taking a step beyond conventionally average, uniform service provision. Based on each customer's daily usage and attribute information, we will accurately grasp their individual needs, interests, and preferences to propose the most suitable services. We will also promote use of the JR-West Group by introducing services at the appropriate time to suit various travel situations.

WES-Toku! service

Promotes use of the JR-West Group by recommending six different stores each month that are suited to the individual customer's needs.

Real-time recommendation PoC*

Promotes usage of the JR-West Group by providing timely content to customers.

*PoC: Proof-of-concept

Group marketing efforts that foster collaboration between businesses

In cooperation with group companies that operate a variety of businesses, we are actively running attractive campaigns that not only increase the frequency of customers' regular use of services but also encourage them to use services that they have not used before. In this way, the entire JR-West Group is meticulously meeting the diverse needs of each customer.

Railway × in-station Curico vending machine campaign

Utilizing the Curico vending machines in stations, which are highly popular with train passengers, WESTER points are awarded for using trains and vending machines.

Point multiplier campaign

Depending on a customer's residential area, the point multiplier will increase the more frequently they use group companies (retail, restaurants, shopping centers, hotels) in that area or the more types of services they use.

"Let curiosity move you" campaign underway

Expo 2025, which drew many visitors from Japan and abroad, ended on October 13. To encourage people to continue using the railways in pursuit of fun and excitement even after the end of the Expo, the JR-West Group is running the "Let curiosity move you" campaign. This campaign offers a wide range of content that will pique people's curiosity, encouraging a new way to travel with the idea that if it stirs your interest even a bit, don't hesitate to take a trip.

Traditionally, when it comes to travel, it is common to choose certain, set destinations, such as popular tourist spots. However, advances in digital technology have made it possible for people to easily gather information about their trip using their smartphones and to easily make reservations and payments via an app. Furthermore, with the continued development of AI technology, it is expected that it will be possible to propose optimal travel plans tailored to each customer's interests and preferences.

Amidst these changing times, travel styles are also changing. Going forward, travel will no longer be limited to popular tourist destinations but will instead be driven by one's own curiosity and the pursuit of self-actualization. In line with these changes in the tourism industry, the JR-West Group will propose new forms of travel to customers through the "Let curiosity move you" campaign.

旅はもう、行き先さがしから
はじめなくていい。
自分で見つけた、好きなこと。
誰かに聞いた、おもしろそうなこと。
思わず好奇心が動くほうへ、
自分を連れ出す旅をしよう。
私たちはこれから、
あらゆるコンテンツホルダーと一緒に、
そのきっかけを、もっともっとつくってゆく。
どれほど新しい旅が生まれるのだろう。
ゆこう。やってみたいほうへ。
出会おう。見たことのない自分に。
動け、動け、日本中の好奇心たち。
鉄道はもう、走っている。

動け、好奇心。

Contributing to convenient and abundant lifestyles through new businesses

Virtual Station metaverse space recreates the diverse social and functional aspects of the train station

We are developing business that utilizes train stations in both the real and virtual worlds through a Virtual Station, which exists as a unique virtual space made by the JR-West Group to recreate and expand upon the diverse social and functional aspects of real-life stations.

Value provided

1. Creates unique value in the virtual space through a real-world presence
2. Provides opportunities for users seeking ways to contribute and for businesses/organizations looking to solve challenges to connect

⇒ **A co-creation platform business that aims to address social issues by leveraging individuals' motivation**

Two Virtual Stations tailored to user needs

Virtual Osaka Station 4.u (opened April 9, 2025)

A social media-type Virtual Station tailored to self-expression and fan activities in the virtual space. By leveraging its appeal to users having strong content creation and communication skills, it functions as a user-participatory promotional platform where a variety of initiatives are carried out.

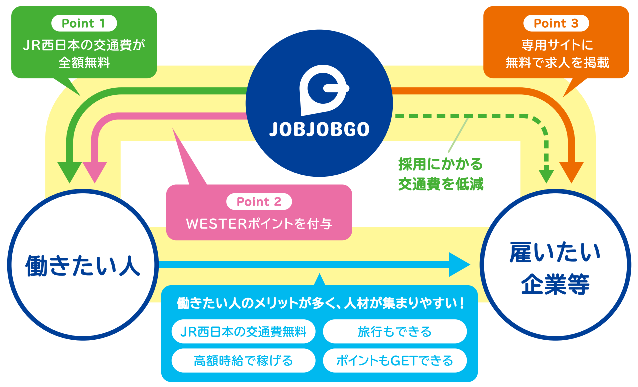
Virtual Hiroshima Station (opened March 17, 2025)

An entertainment-type Virtual Station tailored to the needs of creative activities and events in the virtual space. By leveraging its appeal to users who are highly interested in spatial creation and gamification, it serves as a user-participatory collaborative space where a variety of initiatives are carried out.

Jobjobgo human resources matching service

Contributing to regional revitalization by addressing labor shortages and increasing non-resident populations

- In May 2024, we launched a new matching service that utilizes JR-West's rail network and the Group's shared WESTER point program along with West Japan Railway Career's extensive pool of human resources.
- We're working to resolve labor shortages and to revitalize the region through the creation of new work styles and new mobility solutions.



Proposing lifestyles that are not bound by time or place

+PLACE workplace reservation platform

In response to the spread of online meetings and diversifying work styles, and with the aim of realizing lifestyles that are not bound by place and time, we are developing a variety of workplaces along travel routes, mainly near and inside train stations, and providing a platform that allows users to search for and reserve them.

Expanding available space and future outlook

Through partnerships with booth operators, we are expanding the installation of private booths, mainly at major JR-West stations. We are also working to connect with a variety of spaces, such as conference rooms and coworking spaces across Japan, to bring the number of available locations to over 800 (as of September 2025).

Going forward, in collaboration with Spacee Inc., we will significantly expand our sites and services, and plan to launch a new service next spring. This will significantly evolve the platform into one that seamlessly connects movement, work, and life.

Bell-naru business co-creation program in collaboration with startups and other partners

We will utilize the resources of the JR-West Group to work together with and accelerate the growth of startups and other partners. We also aim to develop collaborative businesses that combine the assets and capabilities of startups and other partners with those of the JR-West Group. We will also consider the possibility of capital alliances, such as investments from our corporate venture capital firm, JR West Innovations Co., Ltd.

Applications accepted in FY2025 → Final review conducted in FY2026 to consider commercialization

Bell-naru grand prize: Hab Inc.
After-school care program with transportation services using station premises and buildings

Excellence award: Le Grand Co., Ltd.
Weather-linked marketing support business

Fighting-spirit award: Pathfinder, Inc.
Project to enhance the convenience of regional secondary transportation

Sustainable society

JR-West Group's approach to a sustainable society

The JR-West Group recognizes that the challenges facing society, such as population decline, labor shortages, regional depopulation, and aging facilities and equipment, require us to seek out the optimal approach to each region and lifestyle and thereby enhance the sustainability of society. To that end, we believe it is important to work together with local communities to develop long-term businesses that support them. We will work to realize a future in which sustainable social systems are built, leveraging our know-how in the daily operation and maintenance of railway services along with our strengths cultivated through collaboration with various partners rooted in the local community, including the national and local governments.

Key risks

- Decreased business sustainability due to labor shortages caused by population decline
- Decrease in service users due to market shrinkage caused by depopulation and other factors
- Increased costs due to prolonged yen depreciation, rising prices, rising interest rates, and other factors
- Increase in costs due to tighter environmental regulations
- Deteriorating environments along railway lines due to the increasing deterioration of infrastructure over time

Key opportunities

- Increasing demand for maintenance due to aging infrastructure
- Diversification of logistics methods due to driver shortages
- Progress in modal shift due to rising environmental awareness in society
- Reduction in environmental costs due to advances in and widespread use of energy-saving technologies
- Improvement in productivity due to advances in digital transformation technologies such as AI
- Increase in local grassroots revitalization efforts and national support for nonurban regional revitalization

Initiatives

Creating new transportation systems
- Creating an easy-to-use and sustainable transportation system
- Digital technology-driven, seamless transportation systems
- Practical application of self-driven caravan BRT (bus rapid transit)

Tackling the challenges of operational reform and next-generation railway maintenance
- Operational reform
- Changing the railway maintenance system

Uncovering further regional charm
- Forest Festival of the Arts Okayama: Clear-Skies Country
- Identifying and selling local products
- Creating local businesses in collaboration with partners

New possibilities for railways
- Nimo-shu! freight business using passenger trains

Realizing a rich and satisfying society over the long term
- JCLaaS comprehensive infrastructure management business

Global environment
- Reducing CO_2 emissions to achieve carbon neutrality (⇒ p.68)

Human resource development as a source of value creation
- Generative AI and the future of our business (⇒ p.91)

Social value

- Improving social sustainability through co-creation of optimal regional transportation systems
- Improving society's sustainability by strengthening infrastructure
- Improving society's sustainability by protecting the global environment
- Revitalizing the local economy by enhancing and promoting regional appeal as a community-wide effort

Economic value

- Increasing and maintaining the number of service users through improved regional sustainability
- Creating new business opportunities by leveraging regional attractions
- Creating diverse monetization points through new businesses
- Improving operational efficiency and labor savings through digital transformation
- Increasing the number of railway users as a result of rising environmental awareness

Creating new transportation systems

Creating an easy-to-use and sustainable transportation system

Since our company's founding, we have worked with local communities to promote use of our local lines for improving transportation and encouraging tourism. At the same time, however, the social and physical environment surrounding local train lines is undergoing major changes, such as population decline, low birthrates and an aging society, development of high-standard road networks, and increasing urban development centered on roads. We believe that there are lines where certain key features of railways are not being fully utilized, in terms of mass transportation, and that the advantages that railways offer in terms of CO_2 emissions are not being demonstrated.

In light of this, and in order to foster more concrete discussion with local residents, in April 2022 we began releasing information on the business status of lines with a transport density of less than 2,000 people, and we are currently pursuing dialogue about this.

As further population decline and other environmental changes are expected to continue in the future, we believe that, in order to achieve sustainable local communities, it is necessary to work with local residents to create an optimal regional transportation system that is easier to use than the current system, taking into account the differences in the characteristics of each line and the travel needs of each area, and that is tailored to the development of local communities.

Additionally, we are developing solutions related to various means of transportation. We wish to work together with local residents to utilize the power of innovation in exploring and realizing sustainable regional transportation systems.

Example 1: Johana Line and Himi Line

For the Johana Line and Himi Line in Toyama Prefecture, together with the prefecture and cities along the line, we have compiled a railway business restructuring plan in order to realize sustainable public transportation that will contribute to future urban development. This plan was approved by the Minister of Land, Infrastructure, Transport and Tourism in February 2024.

The design of the new rolling stock was decided in May 2025, and IC cards are being introduced in fiscal 2026.

(Image taken from 4th Johana Line and Himi Line Restructuring Meeting materials)

Example 2: Geibi Line

The first meeting of the restructuring council for the Geibi Line, which runs from Okayama to Hiroshima prefectures (between Bitchu-Kojiro and Bingo-Shobara), was held in March 2024. Discussions are underway with local parties, including the Chugoku Transport and Tourism Bureau and relevant local governments, to realize a sustainable transportation system free from any specific preconditions. From fiscal 2026, demonstration experiments, such as for increasing train service, are being carried out.

Digital technology-driven, seamless transportation systems

To revitalize local areas and promote sustainable urban development through transportation networks, including railways, we are working with local governments to provide reservation-based, shared transportation (demand-responsive transportation) services using AI technology.

As one example, we have signed a comprehensive partnership agreement with Tsuyama City and have begun operating the Noru Ico Tsuyama bus.

Practical application of self-driven caravan BRT (bus rapid transit)

We are entering an era in which society is undergoing major changes, and it may no longer be possible for railways alone to provide the services that customers expect. In this context, the JR-West Group aims to be a corporate group that provides a range of customer mobility-related services, with railways at its core. We are working on the technological development and practical application of next-generation mobility services, such as self-driven caravan BRT, in order to realize sustainable local transportation in conjunction with urban development.

Since 2021, we have been developing the technology at a dedicated test course in Yasu City, Shiga Prefecture. As the next step towards practical application, we began collaborating with Higashihiroshima City, which is considering introducing BRT, in fiscal 2023 and conducted demonstration testing on public roads there in 2023 and 2024. This testing was the first of its kind in Japan in two areas: self-driving of articulated buses on public roads and caravaning of driverless buses on public roads. We also held test-ride events for the public in conjunction with the testing, attracting a lot of attention. Through the technological development and practical application of self-driven caravan BRT, we will provide sustainable transportation options to local communities, as well as contribute to addressing social issues and regional urban development in a way that meets local needs.

Experimental autonomous vehicles driving in formation on public roads in Higashihiroshima (front: articulated bus, rear: large bus)

Future vision of self-driven buses being considered in Higashihiroshima (with dedicated lanes for these vehicles to drive on)

Operational reform and next-generation railway maintenance

Operational reform

The situation surrounding railways is undergoing dramatic changes, including a decline in the workforce due to a shrinking population and the recent increase in the scale and frequency of natural disasters. To ensure safe and sustained railway operations into the future, we need to reassess existing infrastructure management practices and business methods. Regarding daily railway infrastructure management operations, we will review them to adopt data-driven management methods optimized for the entire railway, and at the same time, we will look at ways to standardize and streamline our operations. By improving operational efficiency, we will be able to focus more on the challenges that will shape the future of railways, while also increasing the speed and accuracy of corporate decision-making, leading to the efficient use of company resources.

The expected benefits of this effort include improved collaboration with equipment management partner companies by reviewing daily railway infrastructure management operations, and maintaining and stabilizing the supply chain into the future. Furthermore, the efficient and speedy allocation of resources to areas that create customer value will lead to improved customer satisfaction.

Changing the railway maintenance system

The environment surrounding the railway industry is undergoing major changes due to a combination of factors, including the difficulty of securing maintenance personnel due to population decline, the increasing severity of natural disasters, and the aging of railway infrastructure. Under these circumstances, shifting to a maintenance system that pursues the possibilities offered by new technology is necessary to ensure safe and sustained railway operations into the future.

To address these challenges, the JR-West Group is implementing data-driven condition-based maintenance (CBM), strengthening track infrastructure and shifting to a maintenance approach that concentrates work into daytime hours, and strengthening the supply chain through the standardization of parts.

The concept of CBM is to do maintenance at the optimal timing, as determined by infrastructure conditions. Unlike conventional time-based maintenance (TBM), it is expected to ensure flexible, conditions-appropriate maintenance. With technological advances in things like sensors, communications, and the cloud, it is becoming increasingly feasible to ascertain infrastructure conditions in real time and detect early signs of failure.

The aim of introducing CBM is to establish a system that centrally manages infrastructure across the entire railway system, rather than just on an individual piece of equipment basis. The goal is to combine manual inspections and sensor-based monitoring to comprehensively analyze things like environmental conditions, usage history, and inspection results, and to quickly evaluate the failure risk of each piece of equipment and do maintenance.

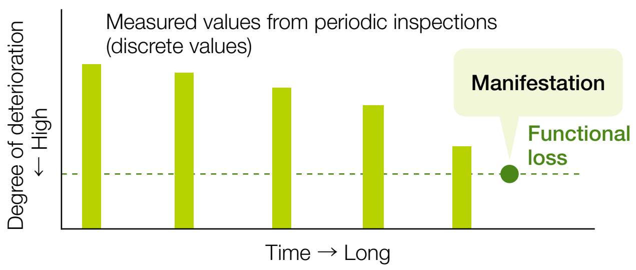
Given the diverse characteristics of equipment and facilities used in railway operations, we need to optimize the maintenance systems used for different facilities and pieces of equipment. We are examining the possibility of switching from TBM-based inspection to CBM-based inspection.

To improve productivity, we are strengthening track infrastructure and shifting to a maintenance approach that concentrates work into daytime hours. Nighttime maintenance work has significant constraints, posing challenges in terms of securing manpower and ensuring productivity. Therefore, we are increasing the durability of track facilities to reduce inspection frequency and are transitioning to daytime work by utilizing ICT and mechanized construction. This is expected to improve the work environment and quality of maintenance.

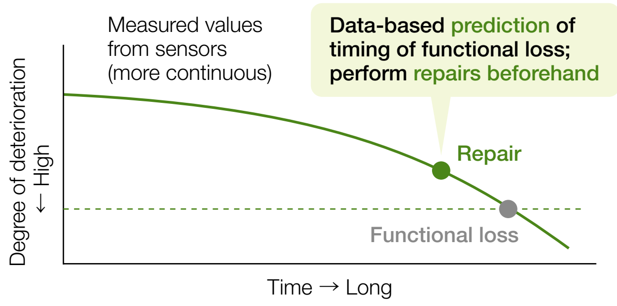
With the aim of strengthening the supply chain, we are collaborating with other railway operators to consider ways to standardize railway parts. Standardizing parts will consolidate demand for the same products, which is expected to improve manufacturer productivity and maintenance quality, leading to the creation of a stable supply system.

What these initiatives have in common is a focus on leveraging data and technology to optimize maintenance activities across the entire railway system. The JR-West Group will continue to incorporate technological innovations and will strive to improve safety, productivity, and other aspects of our operations as we pursue the realization of sustainable railway infrastructure.

Conventional approach



CBM



Uncovering further regional charm

Forest Festival of the Arts Okayama: Clear-Skies Country

Forest Festival of the Arts Okayama: Clear-Skies Country was held for the first time in autumn 2024 in northern Okayama Prefecture, attracting around 520,000 visitors.

Northern Okayama Prefecture is an area of beautiful scenery, culture, and attractive regional resources, including the magnificent nature of the Chugoku Mountains, historical towns that flourished as castle towns and post-station towns along old highways, traditional performing arts, and a wide variety of agricultural products. We have used art as a new perspective through which to showcase the charms of the region and provide an extraordinary experience. Through initiatives like holding related events in collaboration with local residents and promoting local products, the festival helped drive regional revitalization by promoting multi-destination tourism centered on the festival, thereby increasing the number of visitors, fostering greater civic pride, and producing a positive economic effect of 3.8 billion yen. (Source: Forest Festival of the Arts Okayama: Clear-Skies Country results report)

We also worked to attract more visitors by promoting the appeal of the northern part of the prefecture, increasing the number of sightseeing train services, and improving secondary access. We further enhanced the appeal of the region by developing bento boxed meals and local products using local ingredients.

The second festival is scheduled for 2027, and we will continue to work with the prefecture and local residents to further expand tourism spending in the region and increase the number of visitors from both Japan and overseas. We are confident that, through interactions with artists and tourists, local residents will be able to rediscover the potential appeal of their hometowns and feel even greater pride in their communities.

- Area: 12 municipalities in northern Okayama Prefecture (the cities of Tsuyama, Takahashi, Niimi, Maniwa, and Mimasaka; the towns of Kagamino, Shoo, Nagi, Kumenan, and Misaki; and the villages of Shinjo and Nishiawakura)
- Organizer: Forest Festival of the Arts Okayama Executive Committee (Chair: Governor of Okayama Prefecture)
- Long-term installations: To continue attracting visitors, artworks are being exhibited in one location in each of five cities and towns (the cities of Tsuyama, Niimi, and Maniwa; the towns of Kagamino and Nagi) after the event has ended.


Opening ceremony


Giacomo Zaganelli, "Tsuyama Ping Pong Platz," 2024 long-term installation (Tsuyama)


Chien-Chung Liao, "Echoes in the Mountains," 2024 long-term installation (Kagamino)

Identifying and selling local products

Aiming to contribute to revitalization by unearthing the charms of the region, we focus on local products in western Japan and provide support for identifying and promoting these products. Specifically, we work to identify and develop local products through joint projects with local businesses and are expanding sales channels through the Discover West Mall online shop.

Product development through efforts to identify and cultivate local products

We launched the Furusato-okoshi Project in the Okayama/Bingo area and the Temite Project in the Hiroshima/Yamaguchi area to help us identify and develop local products. Our original brand of products, JR Premium Select Setouchi, was developed in collaboration with businesses in the Setouchi area. It's being sold in stores inside train stations and has been well received.

Expanding sales channels through online shopping

We operate the Discover West Mall and sell food and crafts that reflect the care and dedication of makers across western Japan. We are working to help more people learn about each region and inspire them to visit. In addition to showcasing the products themselves, we share the stories behind them—such as the producers' commitment and the unique characteristics of each area—through product pages and special feature articles.


Discover West Mall


Temite Project


Okayama Nori-ten
(JR Premium Select Setouchi)

Creating local businesses in collaboration with partners

We aim to identify regional charm through collaboration with local residents and to create businesses that utilize the JR-West Group's know-how and assets to provide integrated value, from disseminating information to customers to providing transportation and payment services. By collaborating to ensure that local resources, such as the culture, history, and customs cherished by local residents, are passed on and their value is enhanced, we will increase the number of people who have an interest in and connection with the region and will carry out initiatives that will increase the appeal of living in the region.

Collaborating with businesses

We collaborate with businesses with specialized know-how to identify the charms that local regions have cultivated and to create value for our customers.

For example, we collaborate with Note Inc., which uses historical assets such as old traditional houses to carry local culture and ways of life into the future, and with Newlocal Inc., which works with key community members to create places (accommodation facilities and shops) where local residents can connect with visitors from outside the area. Together, we work in areas such as human resources, funding, and information to support the launch and operation of locally initiated projects.


Nipponia accommodation facility developed by Note


Accommodation that serves as a base for travel and interaction

Collaborating with local governments

Against a backdrop of a growing interest in living in nonurban areas and the increasing adoption of remote work, we are running Otameshi-gurashi, a business that offers short-term trial relocation packages.

Municipalities along the railway lines provide information on trial properties and rent subsidies, and we support them with information dissemination and commuting expenses. Through collaboration with these municipalities, this project proposes attractive lifestyles rooted in local communities and aims to increase non-resident and permanent resident populations.

Three municipalities currently offering Otameshi-gurashi opportunities

New possibilities for railways

Nimo-shu! freight business using passenger trains

Addressing local and social issues

By capitalizing on the advantages railways offer, such as punctuality, speed, and a wide-area network, we are expanding our freight services to encompass Shinkansen and other trains. We aim to create value together with various regions and companies and contribute to regional revitalization through the utilization of our strengths in same-day, express, high-frequency, low-vibration, and temperature-controlled transport. We are also helping to address logistical challenges, decarbonization, and other social issues.

Nimo-Shu! is the name of our freight business that utilizes Shinkansen and other trains. We take advantage of the strengths of railways as we engage in the transportation of cargo that requires prompt and delicate handling, such as fresh food, newspapers, and medical specimens. In July 2025, we launched Nimo-Shu! Quick, an emergency freight service that allows same-day acceptance and delivery in response to the needs of shippers who want their goods to reach their destinations as soon as possible.

Future development

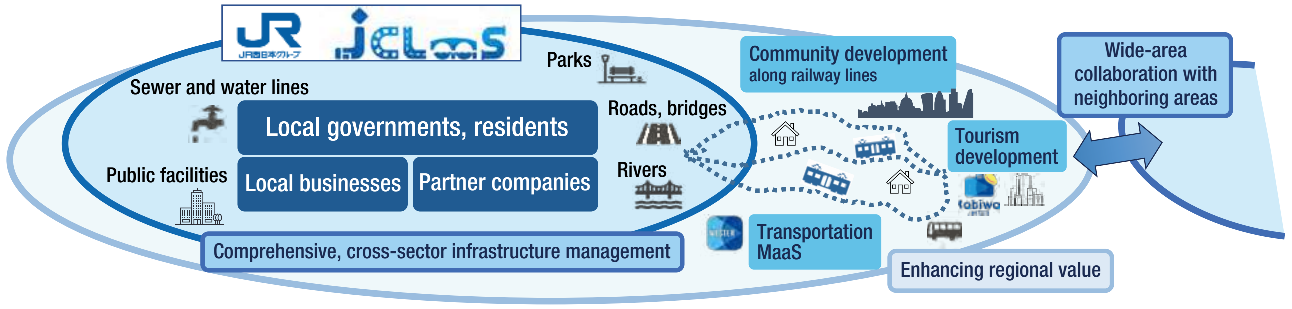
We will further strengthen collaboration with other JR companies to build a wide-area freight network. This will improve convenience for shippers and create new demand, while also aiming to address local and social issues and further expand our freight business.

Our values
President's message
Value creation process
Materiality
Corporate governance
Data

Comprehensive infrastructure management business—Towards a society of lasting prosperity

Future vision of JCLaaS

Infrastructure like roads, water supply and sewerage systems, parks, and public facilities are facing such issues as aging and a lack of personnel and finances. JCLaaS aims to address these issues by realizing efficiency through wide-area, multi-sector collaboration and long-term infrastructure management. We will contribute to sustainable urban development by leveraging the comprehensive strengths of the JR-West Group and the alliances with partner companies.



The thinking behind JCLaaS

J The letter J incorporates the meaning of "**Japan,**" in the sense of serving as a vehicle for nationwide initiatives, and "**join,**" signifying the participation of government, the private sector, and residents.

CL The letters CL are taken from the first letters of "**community life**" and reflect our desire to help realize sustainable local lifestyles. The letter C also signifies the words "**continuous,**" in the sense of ongoing support for life that transcends generations, and "**circular,**" in the sense of a virtuous cycle in order to realize a sustainable society.

aaS The letters aaS stand for "**as a service**" and signify a transformation in our approach to infrastructure, moving from a focus on physical property to its ongoing provision as a service.

JCLaaS website

https://jclaas.jp

Creating new value through JCLaaS

I have been working on this initiative since June 2024, launching new projects and developing business in collaboration with local governments and partners. Having been involved in the railway business since joining JR-West, I have found it difficult to work in unfamiliar territory, but I find great satisfaction in working—through trial and error—to address infrastructure-related issues. I will continue tackling the challenge of creating new value in order to realize a society of lasting prosperity.

JCLaaS Business Division, Business Design Division
Takayuki Shintani

Leveraging railway asset management

Infrastructure is aging throughout society, and the effects are becoming apparent in both rural and urban areas. In response to this challenge, I feel there is great significance to be found in utilizing the know-how we have cultivated in railway operations to undertake comprehensive infrastructure management as a company that coexists with local communities. I will leverage the experience and technology I have cultivated in railway civil engineering to take on the challenge of realizing a safe and sustainable society.

JCLaaS Business Division, Business Design Division
Takaki Sakata

News 1

Communicating with society

At the Innovation & Challenge Day held in December 2024, we held a panel discussion with experts on the theme of creating sustainable local communities through public–private collaboration.

Speakers (posts, etc. as of December 2024)
Mr. Naoki Nakamura: Acting water supply and sewerage manager, director of Water Supply and Sewerage Department, Fukuchiyama City (center right)
Ms. Yoshimi Adachi: Professor, Faculty of Economics, Konan University (center left)
Mr. Akimasa Matsuo: Representative director of Water Service Kihoku; general manager of West Japan Department, Partnership Division, Metawater Co., Ltd. (at right)
Mr. Ushio Kurahara: General manager of Business Design Division, Digital Solutions Headquarters, and senior managing executive officer, JR-West (at left)

News 2

Example: Secondary comprehensive private-sector outsourcing of water service from the city of Fukuchiyama

We began participating in the secondary comprehensive private-sector outsourcing of water service from the city of Fukuchiyama in Kyoto Prefecture for five years starting in April 2024. We're operating an outsourcing business as a member of the special-purpose company Water Service Kihoku.

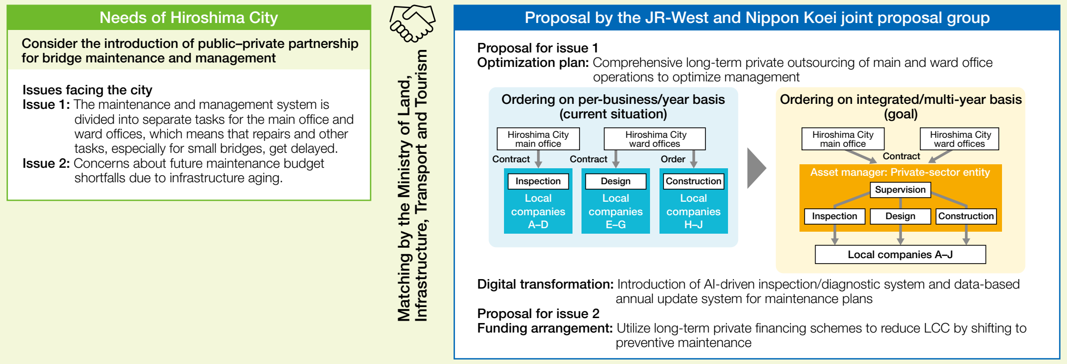
Water Service Kihoku

Established: September 15, 2023
Shareholders: Metawater Co., Ltd., Fukuchiyama Pipework Cooperative Association, West Japan Railway Company, others
Partner companies: Daitetsu Kogyo Co., Ltd. (a JR-West Group company), member companies of the Fukuchiyama Pipework Cooperative Association

News 3

Selected for the FY2025 private sector proposal-based public–private partnership modeling program

A joint proposal group consisting of JR-West and Nippon Koei Co., Ltd. was selected for the FY2025 private sector proposal-based public–private partnership modeling program commissioned by the Ministry of Land, Infrastructure, Transport and Tourism, and it has begun operations. Hiroshima City faces challenges with regard to bridge maintenance and management and is considering introducing this public–private approach. Through an analysis of the challenges and effects of introduction, we aim to pursue demonstration testing and commercialization in the future.



News 4

Comprehensive private-sector outsourcing of waterworks and sewerage from the city of Joyo

As a member of the Water Partner Joyo Joint Venture, we will be contracted to carry out the comprehensive management of waterworks and sewerage in Joyo City, Kyoto Prefecture, for a 10-year period starting in April 2026.

Water Partner Joyo Joint Venture

Representative: Veolia Jenets K.K.
Members: Fuji Subsurface Information Ltd., Japan Maintenance Engineering Co., Ltd., West Japan Railway Company, Asia Air Survey Co., Ltd.

Special feature

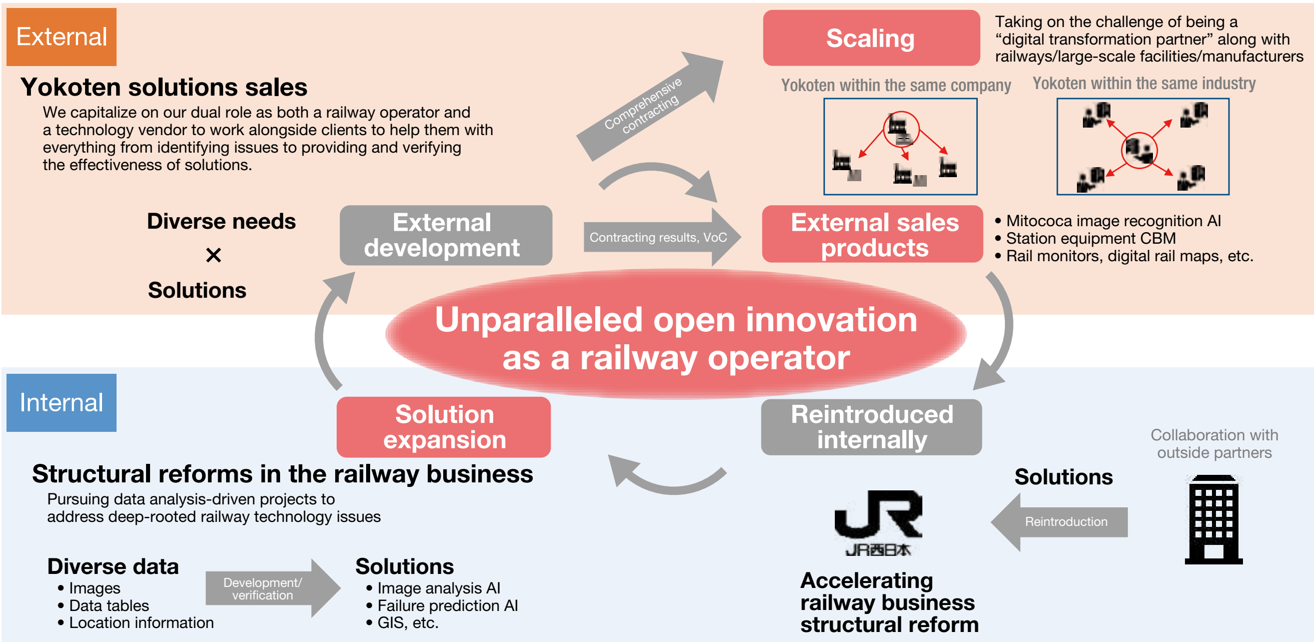
Addressing materiality through open innovation— In pursuit of unparalleled open innovation

In the JR-West Group, we are making a concerted effort, in collaboration with a variety of partners, to foster materiality-focused innovation that will allow us to evolve as a corporate group that creates new and lasting value for the future of society and the challenges it will face.

We are pursuing unparalleled open innovation as a railway operator through a two-pronged strategy. This involves an "inbound" approach of leveraging outstanding external technologies to address challenges, and an "outbound" approach of deploying our own technologies outside the company to create new value.

We are also undertaking data analysis-driven internal structural reforms of our business while challenging ourselves to create new business through JR West Labo, which serves as a testing ground for incorporating open innovation into our business operations.

A virtuous cycle model for creating both internal and external value



Leveraging digital technology in railway business structural reform

Strong-wind forecasting system for the Kosei Line

This system uses an AI model developed by JR-West to accurately predict strong winds along the Kosei Line based on high-resolution weather forecast data provided by Osaka Gas Co., Ltd.

This not only helps to ensure safety but, by reducing unnecessary detouring of express trains and suspension of local train services, also improves convenience.

Digital rail maps

We have developed a web application that aggregates vast amounts of railway equipment information onto a map to allow for easy searching and viewing. In addition to improving maintenance work efficiency, this application also contributes to quicker response times for extraordinary circumstances, as well as communication of site-specific information and conditions. It is currently being introduced to other railway operators.

Strengthening outbound open innovation

We are bolstering our capabilities as a railway operator by leveraging the image recognition technology and data analysis skills we have cultivated in the course of our internal structural reforms and problem-solving efforts up to now. This will allow us to work alongside various business enterprises, including manufacturers and large-scale facility operators, to develop and deploy innovative solutions to the challenges they face.

Collaboration with manufacturers

● UACJ Corporation

UACJ is expanding deployment of work accident prevention initiatives, which rely on image recognition (human detection AI) technology developed in the railway industry, to factories across Japan. Wide-ranging collaboration, including those on digital transformation in adjacent fields such as quality control, is also being pursued.

Collaboration with large-scale facility operators

● One Bright Kobe Co., Ltd.

JR-West's solutions are a perfect match for the challenges of greater urban revitalization and marketing. As a data solutions partner, we are broadly contributing to the sustained development of the Kobe area.

Intellectual property strategy

1. Basic approach

In conjunction with our open innovation activities, we recognize the importance of building an intellectual property strategy that secures and maximizes the results of open innovation in the form of intellectual property. We therefore actively work to acquire intellectual property rights, including patents.

We are working to acquire intellectual property and visualize our intellectual property portfolio, with a focus on "defensive" intellectual property that contributes to the safe, stable continuous operation of railways, and "offensive" intellectual property that has high social applicability and the potential to create new value. We are also working to enhance the vitality of our intellectual property assets by providing intellectual property education to employees and collaborating with technology development management, while sorting out intellectual property that have not yet led to practical application. Through these efforts, we aim to build a strong intellectual property portfolio aligned with business strategy and that contributes to realizing our Long-Term Vision.

2. Number of intellectual property rights acquired and examples of acquired rights

The following is the status of our patents (inventions), utility models (devices), and designs (including pending applications). This includes seven intellectual property rights currently held or pending overseas.

■ Number of intellectual property rights acquired

Patents	Utility models	Designs	Total
300	3	19	329

(As of March 31, 2025)

■ Major IP

Patents	● Self-driven caravan BRT system ● Bridge deformation inspection system (BBMAPS) ● Ticket gate equipment failure prediction AI system ● Driving notification transmission system ● Twilight Express Mizukaze rolling stock and bathtub ● Shinkansen derailment prevention system, vehicle fall prevention system ● Platform screen doors (Osaka Station Umekita area) ● Rope-type platform gates ● LED signal flares
Utility models	● Wall foundation structure
Designs	● GranClass seat operation display ● Movable gates (station platform screen doors)

Global environment

JR-West Group's approach to the global environment

As a corporate group that supports social infrastructure, the JR-West Group has a long-term vision under which it strives to help achieve safe, worry-free transportation that is kind to people and the planet, and a sustainable society. We continue to work towards sustainability through environmental conservation and other ways.

The world is accelerating efforts to move towards decarbonization in the face of global warming and climate change, and the pace at which it works to protect natural capital such as water and ecosystems. We consider combatting climate change a crucial task in order to continue doing business. We will therefore avert climate-related risks, improve the railway's strength as an environmentally friendly mode of transport, and spread the word about how green railways are among customers and communities. These efforts will affect change towards decarbonization and create opportunities that we will take full advantage of by focusing the JR-West Group's business on contributing to a sustainable society.

Systems for environmental protection

We consider protection of the global environment to be one of our key business challenges and have therefore established a Global Environment Committee. The committee is chaired by the president and comprises executive directors in charge of Head Office departments and general managers of the principal divisions. It deliberates and facilitates action on important matters, such as the Group's basic policy for global environmental protection and the setting of medium and long-term targets and plans. Important items deliberated by the Global Environment Committee are also reported to and discussed with the Sustainability Committee, Group Management Committee, and Board of Directors in order to share this information among senior management.

Board of Directors, Group Management Committee

Instruction/supervision

Refer/report important issues

Global Environment Committee

Chair: President
Vice chair: Vice president

Members: Directors who also serve as executive officers at Head Office departments, and in-house company heads and heads of departments in charge of business planning, capital investment, finance, governance, sustainability, global environment, BCP, and information disclosure. Generally, meetings are held at least twice a year.

Tasked with formulating group policies and action plans regarding global environmental protection, and holding discussions on important matters

Cooperation

Sustainability Committee

Railway Subcommittee

Chair: Senior general manager of Railway Operations Headquarters

Comprises the railway departments and divisions in charge of group companies associated with the railway business

Tasked with formulating policies and plans for the railway departments, and promoting measures in that regard

Group Business Subcommittee

Chair: General manager of the Corporate Strategy Division

Comprises the in-house companies and divisions in charge of group companies associated with businesses other than the railway business

Tasked with formulating policies and plans for business domains other than railway, and promoting measures in that regard

Think-and-Act Environmental Subcommittee

Chair: General manager of the General Affairs and Secretarial Division

Works with the Railway Subcommittee and the Group Business Subcommittee to develop measures to encourage each employee of the JR-West Group to think and act on their own initiative to protect the global environment

Branch offices, group companies

JR-West Group Basic Environmental Policy

The JR-West Group Basic Environmental Policy was created so that we could be a corporate group supporting social infrastructure that contributes to the realization of safe, worry-free transportation that is kind to people and the planet, and a sustainable society, as outlined in the Long-Term Vision 2032. We have made global warming prevention and climate change action, contributing to the creation of a circular economy, and living in harmony with nature as the three pillars of this policy. In our Long-Term Vision 2032 and Medium-Term Management Plan 2025, we have set target indicators in these three areas for the Group, as a whole and as individual companies, to work together towards reducing the environmental impact of our business activities.

JR-West Group Basic Environmental Policy

Basic policy	As a corporate group supporting social infrastructure, carry out initiatives to protect the Earth's natural environment in order to help make society more sustainable, which is the foundation of our business activities.
Pillars of initiatives	Global warming prevention, climate change action Contributing to the creation of a circular economy Living in harmony with nature (biodiversity conservation, water resource protection)
Foundation	All group members think and act for the environment, carry out steady environmental management

■ Long-Term Vision 2032 and Medium-Term Management Plan 2025 KPIs

Note: Bold numbers indicate the FY2026 target has been achieved ahead of schedule.

Category	Indicator	FY2025 (result)	Target
Group wide	CO_2 emissions (consolidated; Scope 1+2; vs. FY2014)	1.70 million t-CO_2 (–21%)	FY2026: 1.39 million t-CO_2 (vs. FY2014: –35%) FY2031: 1.07 million t-CO_2 (vs. FY2014: 50%)
	Amount of used plastic bottles provided	**57 t/year**	FY2026: 50 t/year
	Water used (per unit of consolidated net sales)	**5.7 m³/million yen**	FY2026: 6.5 m³/million yen
Railway company	Energy-saving railcars as a percentage of total rolling stock	**94.9%**	FY2026: 93% FY2028: 95%
	Energy intensity reduction rate (vs. FY2014)	–2.8%	FY2026: –5.5% FY2028: –6.5%
	Electricity from renewable energy as percentage of all power to operate trains*1	Shinkansen (bullet trains) 4.7% **Osaka Loop Line and JR Yumesaki Line 100%**	FY2026: Shinkansen 6% Osaka Loop Line and JR Yumesaki Line total 60% FY2028: Shinkansen 10% Osaka Loop Line and JR Yumesaki Line total 100%
	Practical use of renewable diesel in trains	Conducted driving tests, results were good	FY2026: Implementation in diesel trains
	Station and onboard garbage recycling rate	**99.3%**	FY2026: 99%
	Facility construction material recycling rate	95.1%	FY2026: 97%
	Rolling stock material recycling rate	**98.6%**	FY2026: 95%
Goods sales and food services company	Electricity consumed in convenience store and gift shop business (annual electricity consumed per unit of store floor space)	**505 kWh/m²**	FY2026: 553 kWh/m²
Hotel company	Reducing plastic product usage	• **Plastic toiletries and other items*2 made of 100% environmentally friendly materials** • Use of single-use plastic items: Approx. 21 t/year • **Drinking water provided in guest rooms switched to paper cartons**	FY2026: Plastic toiletries and other items*2 made of 100% environmentally friendly materials Use less than 10 t/year of single-use plastic items (vs. FY2020: –70%) Completely eliminate plastic bottles as guest room water containers
Shopping center company	CO_2 emissions (annual emissions per total sales floor space)	0.0346 t-CO_2/ annual sales hours x 1,000 m²	FY2026: 0.0321 t-CO_2/ annual sales hours x 1,000 m²
Real estate company	CO_2 emissions from rental properties (vs. FY2014)	**32,000 t-CO_2/year**	FY2026: 44,000 t-CO_2 (vs. FY2014: –42%)

*1 For Shinkansen, renewable energy as a percentage of total electricity for operating JR-West's portion of the Sanyo Shinkansen and Hokuriku Shinkansen.
*2 Covers 10 plastic items (used in the hotel business) identified in Japan's Plastic Resource Circulation Act: cutlery such as spoons and forks, and toiletries such as hair brushes.

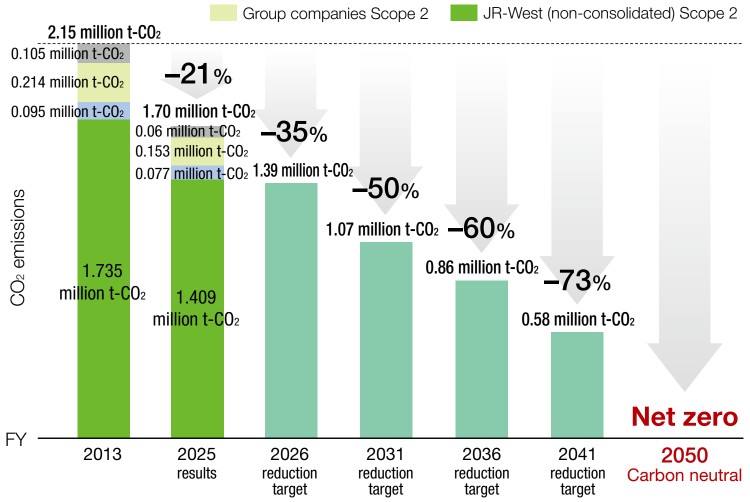
Global warming prevention and climate change action

JR-West Group Zero Carbon 2050 long-term environmental goals

Understanding that our businesses emit a large amount of CO_2 and responding to climate change, such as intensifying natural disasters caused by global warming, are important management issues that must be addressed for the JR-West Group to continue doing business. In recognition of the need for the JR-West Group to be more active in addressing climate change, we have formulated the JR-West Group Zero Carbon 2050 long-term environmental goals. The goal for overall group CO_2 emissions (scope 1 and 2, consolidated) has been set at net zero by 2050. As an intermediate goal, we have set an emissions reduction of 35% by fiscal 2026 and 50% by fiscal 2031 (against fiscal 2014).

Taking advantage of the fact that, in February 2025, Japan's nationally determined contribution added intermediate goals for fiscal 2036 and fiscal 2041, the JR-West Group has also set additional goals of a 60% reduction in emissions by fiscal 2036 and a 73% reduction in emissions by fiscal 2041 (both against fiscal 2014), ambitious goals that put us on a direct path to achieving net zero by 2050. To achieve these goals, besides reducing total energy consumption through energy conservation, we are working to replace the energy we use with renewable energy while decreasing fossil fuels in the mix of energy that we purchase.

■ JR-West Group CO_2 emissions reduction targets (Scope 1+2, consolidated)



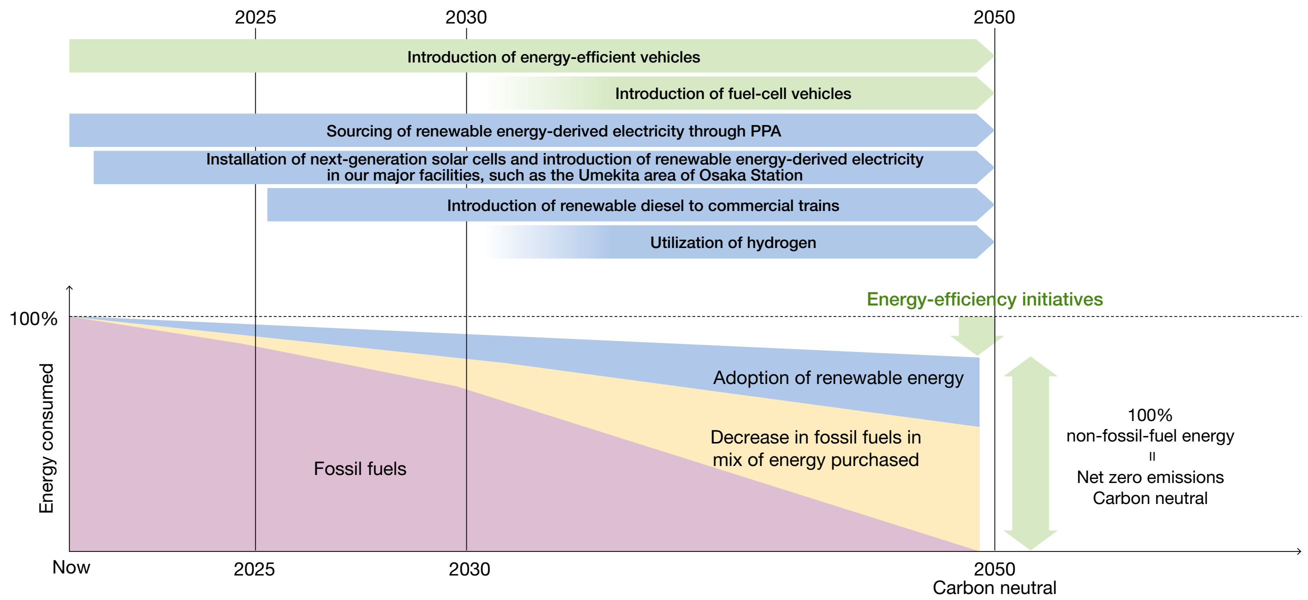
■ Scope 3 CO_2 emissions

	FY2024	FY2025
Non-consolidated	1.918 million t-CO_2	1.376 million t-CO_2
Group companies*	1.600 million t-CO_2	3.281 million t-CO_2
Total	3.518 million t-CO_2	4.657 million t-CO_2

Scope 1	Total CO_2 directly emitted by the JR-West Group from combustion of fuels, such as diesel oil for diesel train operation, and kerosene and heavy oil for operational purposes (includes the CO_2 equivalent mass for leaked fluorocarbons)
Scope 2	Total CO_2 emitted indirectly by the JR-West Group from the use of power and heat purchased from power companies and others
Scope 3	Total CO_2 emitted from other companies in relation to the JR-West Group's business activities (indirect emissions other than Scope 1 and Scope 2)

*The scope of calculation (boundary) for group companies has been changed to include only all consolidated subsidiaries for fiscal 2025. Note that the calculation boundary for fiscal 2023 and 2024 includes all consolidated subsidiaries and Osaka Energy Service Co., Ltd.

■ Road map to carbon neutrality



Note: This graph is for illustration purposes only. It does not represent concrete percentages.

Reducing CO_2 emissions to achieve carbon neutrality

To achieve our long-term environmental goals, we have set CO_2 emissions as a common target indicator for the JR-West Group and are working as one to reduce CO_2 emissions. In particular, the railway business accounts for a large proportion of the Group's energy consumption, and we recognize its importance in achieving our long-term environmental goals.

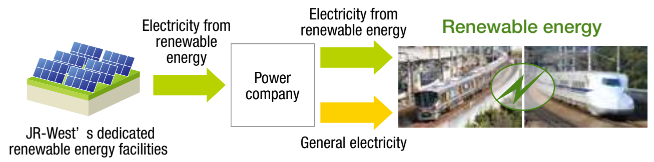
In the railway business, we are focusing on introducing renewable energy sources for train operation electricity, which accounts for the majority of the Group's CO_2 emissions. We are also working to introduce next-generation renewable diesel to diesel railcars, which directly emit CO_2, and to utilize hydrogen with a view to replacing them with fuel-cell trains in the future. In addition, we have begun to put into practical use negative emission technologies to address residual emissions that cannot be reduced by decarbonizing fuel.

Utilizing renewable energy

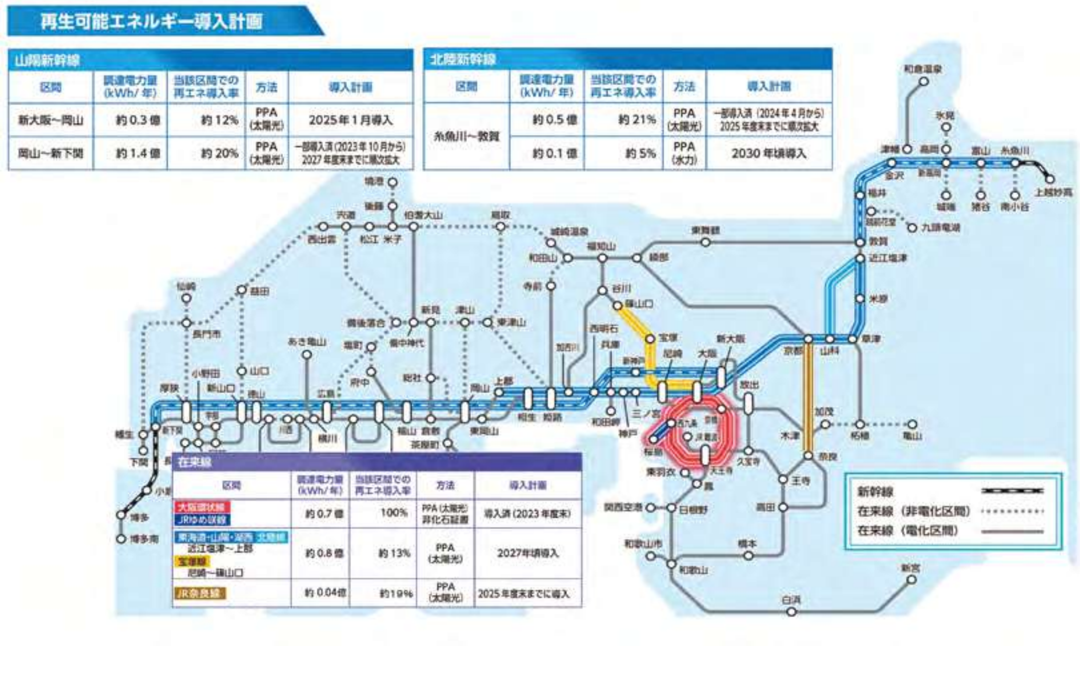
Using renewable energy-derived electricity for train operation

We are actively using electricity derived from renewable energy sources for train operation, mainly through off-site corporate PPAs (power purchase agreements). For our main Shinkansen lines (Sanyo Shinkansen and Hokuriku Shinkansen), which are high-speed intercity railways, we are aiming to replace at least 10% of our total electricity consumption with electricity from renewable energy sources by fiscal 2028, but we now expect to achieve 17% renewable electricity by fiscal 2028. For the Osaka Loop Line and JR Yumesaki Line, which were the main access routes for Expo 2025, we advanced our target by four years to start operating on 100% renewable energy in February 2024. The introduction of electricity derived from renewable energy is being expanded to major lines in the Kansai urban area, such as the JR Kyoto Line, Kobe Line, and Takarazuka Line. By fiscal 2028, approximately 15% of electricity used for operating conventional lines is scheduled to be replaced by electricity from renewable energy. In order to further expand the use of electricity derived from renewable energy, we will also consider expanding beyond solar power to introduce new methods of power generation, such as wind power generation.

■ Off-site corporate PPA

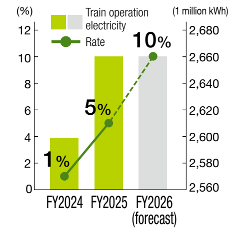


■ PPA adoption rate by route



Newspaper ad announcing the start of carbon-neutral operations on the Osaka Loop Line and JR Yumesaki Line (March 2024)

■ Renewable energy rate in total train operation electricity



Scope 3 reduction efforts

Starting with fiscal 2025 data, the JR-West Group has begun using primary data in calculating Scope 3 emissions. In addition, we have held information sessions for suppliers and engaged with them individually to reduce Scope 3 emissions.

Our values
President's message
Value creation process
Materiality
Corporate governance
Data

Utilizing hydrogen in cooperation with local communities and businesses

The JR-West Group has been studying establishing a comprehensive hydrogen system within our train stations and other railway assets, and how to use this system as a base for supplying hydrogen to fuel-cell trains, buses, trucks, and cars, and as a means to transport the hydrogen. In addition to the Himeji area, we have begun conducting feasibility studies in the Okayama area, stretching from the Mizushima area of Kurashiki city to Tsuyama city, as well as the Yamaguchi/Shunan area, looking at supplying hydrogen to various types of mobilities and transporting hydrogen via freight.

The feasibility study in the Himeji area has been selected for a grant project by NEDO (New Energy and Industrial Technology Development Organization). Together with The Kansai Electric Power Co., Inc., Japan Freight Railway Company, NTT, Inc., NTT Anode Energy Corporation, and Panasonic Corporation, the project is conducting research and investigation into the large-scale transportation and utilization of green hydrogen from fiscal 2025 to fiscal 2026, with the aim of creating demand for hydrogen and building an efficient hydrogen supply chain.

For the Okayama area, we received a FY2024 and FY2025 railway technology development subsidy (to study the implementation of railway decarbonization facilities) from the Ministry of Land, Infrastructure, Transport and Tourism, and we are conducting a joint survey with ENEOS Corporation and Japan Freight Railway Company. For the Yamaguchi/Shunan area, the second Shunan City hydrogen utilization plan was announced in April 2024, reflecting our hydrogen utilization plan.

Introducing next-generation renewable diesel

In fiscal 2023 and fiscal 2024, JR-West conducted performance tests and running tests as part of the fiscal 2023 new technology development challenges program of the Ministry of Land, Infrastructure, Transport and Tourism's railway technology development and adoption promotion system. We participated through a joint technological development body of seven JR companies and the Railway Technical Research Institute. The initiative aims to develop technologies that will facilitate the use of renewable diesel to power trains. Long-term running tests were conducted using commercial trains on the Gantoku Line and Sanyo Main Line in fiscal 2025 and favorable results were confirmed. The goal is to replace 100% of the fuel in currently owned diesel railcars with renewable diesel, with the aim of using it on commercial trains in fiscal 2026.

KiHa 40 train

DEC700 (electric railcar)

m-DAC plant factory (Farmarium) demonstration testing

In conjunction with Expo 2025, a demonstration test was conducted at Bentencho Station on a plant factory that uses m-DAC®* technology, which directly captures and utilizes CO_2 from the air. This project aims to be put into practical use as a future model for CO_2 reduction. It seeks to make the general public familiar with a system for capturing CO_2 and utilizing it on the spot, while taking advantage of the technology's compact and decentralized features.

At the m-DAC plant factory, CO_2 is captured from the air and used to grow vegetables. This demonstration test was conducted in collaboration with Carbon Xtract Corporation and Spice Cube Inc., using Osaka Prefecture's FY2025 carbon neutral technology development and demonstration project subsidy, and the amount of CO_2 captured was monitored.

The results of this test will be analyzed and improvements to the technology will be made with the aim of expanding this technology to stations and other urban areas in the future to promote this new CO_2 reduction model.

*Carbon Xtract' s world-first technology uses an innovative nano-membrane separation technology (m-DAC®) with overwhelmingly high CO_2 permeability to capture CO_2 from the air through membrane separation. m-DAC® is a registered trademark of Kyushu University. from the air through membrane separation.

Demonstration testing at Bentencho Station

Collaborative efforts with local communities

As part of efforts to contribute to the decarbonization of the region, we launched Kansai Machi We'll, a regional decarbonization promotion consortium, with Hankyu Corporation in January 2025 (Osaka Metro Co., Ltd. joined in May 2025), and concluded collaboration agreements with 15 municipalities in the Kansai region. The collaboration agreement stipulates that the consortium will work together on issues such as the installation of local renewable energy sources and promoting the use of public transportation. As a specific initiative, in September 2025, we became the first railway operator to launch a project to generate J-Credits by having households and businesses that own solar panels in the 15 municipalities provide environmental value associated with power generation.

Previously, efforts aimed at the realization of a low-carbon economy have been pursued by companies on an individual basis, but this collaboration agreement has made it possible for the region and society to come together in pursuing a low-carbon economy. Going forward, we will also work on promoting the use of public transportation by taking advantage of the railway's strength of lower CO_2 emissions compared to other modes of transportation, including a project to promote the introduction of renewable energy in the region using the J-Credit scheme.

Shifting modes of transportation

To make Japan's transport sector decarbonized, it is essential to reduce carbon emissions in the various modes of transport, and at the same time shift to railways and other low-carbon transport mechanisms. With this in mind, we are striving to achieve a passenger modal shift by making trains and other public transportation more convenient through the JR-West WESTER app and publicizing the environmental friendliness of trains as transport modes within and between cities.

Specifically, in terms of modal shift in passenger transportation, from the second half of 2023, we have been working with the JR Group and the Japan Private Railway Association on a railway industry-wide initiative to promote understanding of the environmental advantages of railways. As part of this effort, a common logo and slogan were created. From the second half of 2024, the Japan Subway Association also joined in, further strengthening PR efforts.

As part of modal shift, for corporate customers, we offer a carbon offset program in our online e5489 business trip reservation service, as well as a service for Express online reservation corporate members—GreenEX—that uses CO_2-free electricity to ensure that CO_2 emissions associated with business trips on the Shinkansen are virtually zero. Together with companies committed to protecting the global environment, we are actively working to reduce CO_2 emissions and develop a sustainable society through the use of railways. We are also working in collaboration with local governments on various initiatives, such as digital stamp rallies to encourage people to change their habits from driving to traveling by train and environmental education for elementary school students. Of these, the digital stamp rally using the WESTER app won the Kinki District Transport Bureau's FY2025 Transportation-Related Environmental Conservation Excellent Business Award.

Common logo and slogan of the JR Group, the Japan Private Railway Association, and the Japan Subway Association

GreenEX

A service for corporate customers that results in virtually zero CO_2 emissions from travel on the Tokaido, Sanyo, and Kyushu Shinkansen lines

Joint PR poster by the JR Group, the Japan Private Railway Association, and the Japan Subway Association

A digital stamp rally (held from October to November 2025) aimed at promoting understanding of the environmental advantages of railways and encouraging people to switch from car to rail travel

Video to promote the environmental advantages of railways

Contributing to the creation of a circular economy

As a common goal of the JR-West Group, we promote bottle-to-bottle recycling of plastic bottles, and each group company is also carrying out resource recycling initiatives.

Recycling clothing

JR West Shopping Center Development Company, which oversees our shopping center business, is pursuing the realization of a circular economy model that starts with commercial facilities.

In Japan, 470,000 tons of clothing are discarded each year. In response to this issue, fashion-focused retail complexes like Lucua Osaka, where clothing accounts for a large portion of tenant sales, are working to address this problem and realize a sustainable fashion business. Taking advantage of its location directly connected to a major station and the many touchpoints this provides, and through its connections with the local community, customers, and businesses, Lucua Osaka has been collecting used clothing in order to fulfill its role as a platform provider that supports a circular economy-oriented apparel industry.

Specifically, clothing is collected in three categories. In fiscal 2025, the items were handed over to Bookoff Co. Ltd. and Biotechworks-H2, Inc., which is engaged in producing hydrogen from textile waste, for resale and hydrogen production, thereby contributing to resource utilization. Further utilization methods will be explored in the future.

As another initiative, we launched The Journey of Clothes 82 project, which offers customers options other than throwing clothing away. This project aims to promote a change in consumer awareness and to address the social issue of clothing waste.

Final presentation at the Program for Emerging Fashion Leaders

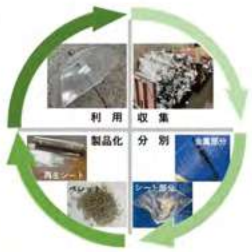

The Journey of Clothes 82 suggests alternatives to throwing clothing away

Recycling forgotten umbrellas (umbrella-to-umbrella)

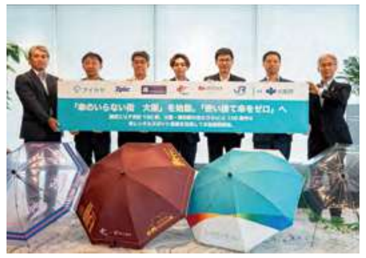
In the Kansai urban area alone, the number of umbrellas left behind in stations and on trains reaches around 9,000 per month. Previously, umbrellas that could not be returned to their owners were disposed of as industrial waste. Starting in fiscal 2026, the JR-West Group launched a circular economy initiative focusing on these forgotten umbrellas to recycle them into new umbrellas. Specifically, we collect plastic umbrellas from those slated for disposal and then separate them into metal and sheet parts. The sheet material is processed into pellets and remanufactured into sheets, which are then used to make new plastic umbrellas.

The plastic umbrellas made from discarded umbrellas are being used as rental umbrellas for guests at JR West Via Inn Hotels, and we are considering expanding them across our hotel business in the future. In addition, in the Kansai urban area, we are collaborating with the I-kasa umbrella sharing service to provide umbrella-to-umbrella recycled umbrellas at stations on the Osaka Loop Line and JR Yumesaki Line from August 2025.

Through this initiative, the recycling rate of plastic umbrellas has increased to approximately 90% by weight, leading to reduced industrial waste and effective use of resources. Also, the pellets produced from discarded plastic umbrellas can be used for products other than umbrellas. Japan Railway West Trading Co. will take the lead in considering the development of other products. Going forward, the JR-West Group will continue to work together to contribute to the creation of a circular economy.



Umbrella-to-umbrella recycling


Participating in the Osaka City—No Umbrellas Needed project in collaboration with I-kasa

Living in harmony with nature

The JR-West Group has set a common goal for reduced water usage while each group company is also pursuing its own efforts to better live in harmony with nature.

Osaka Station (Umekita area) initiatives for living in harmony with nature

We have positioned Osaka Station (Umekita area) as a testing ground for innovation called the JR West Labo, where we are creating new value together with various external partners. Through innovation, we seek to reduce environmental impact together with customers, and with this in mind, we have put into practical use a variety of environmental technologies, including those related to decarbonization.

Osaka Station (Umekita area) has adopted thin, lightweight, next-generation perovskite solar cells, automatic lighting control that adjusts illumination levels according to natural daylight, and district heating and cooling. In addition, the station uses electricity derived from renewable energy sources, making it the first JR-West station to achieve net-zero CO_2 emissions from electricity.

In the Umekita phase 2 area, including Umekita Green Place, which opened in March 2025, we carried out green space development focused on living in harmony with nature. At Umekita Green Place, approximately 1,900 m^2 of rooftop and wall surfaces were greened and approximately 1,600 m^2 of green space was also developed in the plaza. Together with a green coverage rate of approximately 30%, the design also contributes to the creation of a symbolic gateway space befitting the entrance to the Umekita phase 2 area. This initiative is expected to absorb approximately 40 tons of CO_2 per year. It is also expected to reduce rainwater runoff by about 10% compared to conventional paving.


Umekita Green Place

Forest regeneration in cooperation with the local community

The former Sanko Line connected Gotsu City in Shimane Prefecture and Miyoshi City in Hiroshima Prefecture, but railway operations were discontinued in April 2018. There were many railway forests along the former Sanko Line, and their effective use had been an issue. These forests were maintained to protect the tracks from snow damage and landslides, and they also play an important role in preserving the local environment.

Demonstration testing on forest regeneration was carried out using the former railway tracks through a collaboration of industry (JR-West), government (Misato Town), academia (Tottori University, Hiroshima University), and citizens (Ochi District Forestry Association). The project addressed three key themes: 1) timber extraction technology using the railway tracks; 2) the possibility of utilizing forest resources around the tracks; and 3) a reforestation plan that takes into account wildlife management.

The results of this demonstration testing confirmed that railway forests, which had previously been subject to natural regeneration and had been unable to undergo thinning or reforestation due to active railway operations, can have forest resource volumes equivalent to those of general forests and are viable for business, depending on the location. Furthermore, the old railway track meets the forest road regulations' standards for roadbed strength, horizontal alignment, and vertical alignment, and it was confirmed that heavy forestry machinery can run on the track even if the rails and ties remain in place, and that the track functions as part of the forest road network.

We will continue our forest regeneration demonstration testing using the old railway tracks and will consider expanding forestry measures to privately owned forests adjacent to the railway forests so that we can contribute to the revitalization of the areas along the railway line. We will also use infrared sensor cameras and environmental DNA analysis of air samples to understand the behavior of wild animals and will use these findings to carry out wildlife protection measures and evaluate biodiversity along the railway line, including the railway forests.


Collecting timber using heavy machinery on the old railroad tracks


On-site forest survey by project members

Information disclosure based on TCFD/TNFD

Basic approach

Realizing that environmental protection is an important management task, we have formulated the JR-West Group Basic Environmental Policy under which we pursue increasingly deeper initiatives from a long-run perspective.

Protecting the global environment is an important management issue for the future continuity of our business, and we are working to understand the various climate change and nature-related risks and opportunities. We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD) and will proceed with appropriate disclosure and analysis of information on climate change and nature-related risks and opportunities.

These risks and opportunities, and the analysis thereof, focus on those areas comprising our core businesses: railways, sales of goods and food services, hotels, shopping centers, and real estate. With regard to nature-related risks and opportunities and their analysis, we narrowed down the scope of our targets based on the size of our business bases and the extent of their contact with natural capital during operations, and we focused on general depots (rolling stock factories where inspections, repairs, and modifications of railway vehicles are carried out). The details of the analysis are shown on pages 79 and 80.

Governance

The JR-West Group will contribute to the creation of a sustainable society, and we will pursue initiatives to protect the environment and allow us to grow sustainably in the long term. And to serve as the driving force behind these initiatives, we have established the Global Environment Committee, which is chaired by the president and comprises executive directors in charge of Head Office departments and general managers of the principal divisions. This committee generally meets twice annually to deliberate on the Group's basic policy for global environmental protection and on the setting of medium- and long-term environmental targets and plans. It also monitors the progress of concrete initiatives aimed at achieving the plans and targets.

Items on the Global Environment Committee agenda are reported to and discussed by the Sustainability Committee, Group Management Committee, and Board of Directors as necessary.

Strategy

Climate change-related

Based on the impacts of climate change and socioeconomic scenarios in light of the situations presented by the IPCC (Intergovernmental Panel on Climate Change), the JR-West Group has analyzed the risks and opportunities that climate change represents to its entire business.

We are aware of such risks as the heightened costs accompanying the introduction of carbon pricing, and increased damage brought on by more frequent typhoons and floods. Conversely, the superior environmental characteristics of railway have been recognized, and it was found that the increased convenience offered by the spread of MaaS and other similar services also provides opportunities to increase railway use.

The details of the analysis are shown on pages 75 to 80. The analysis was conducted using a 1.5°C increase scenario (RCP*1 1.9) and a 2°C increase scenario (RCP 2.6) in which society aggressively addresses climate change to prevent temperature rise; and a 4°C increase scenario (RCP 8.5) in which measures are insufficient to prevent a temperature rise. Note that the qualitative analysis is based on a 1.5°C increase scenario and a 2°C increase scenario.

The JR-West Group has formulated the JR-West Group Zero Carbon 2050 long-term environmental goals and has set the objective of achieving net-zero CO2 emissions*2 for the entire Group by 2050. We have set interim goals of reducing emissions by 35% by fiscal 2026 and 50% by fiscal 2031 (both against fiscal 2014 levels). Additionally, we have set goals of a 60% reduction by fiscal 2036 and a 73% reduction by fiscal 2041 (both against fiscal 2014 levels).

Towards these goals, as environmental protection initiatives under our Long-Term Vision and Medium-Term Management Plan 2025, we are further improving energy savings by, for example, introducing energy-efficient railcars, adopting power made from renewable energy, and using renewable diesel. We are also striving to achieve a passenger modal shift by, for example, making trains and other public transportation more convenient through MaaS apps and publicizing the environmental friendliness of trains as transport modes within and between cities. It is all part of collaborative efforts with regions and communities to achieve a decarbonized society.

Nature-related

We analyzed and evaluated the railway business, which is the majority of the mobility segment and which accounts for approximately 60% of the JR-West Group's revenue, in accordance with the LEAP (locate, evaluate, assess, prepare) approach advocated by the TNFD as an integrated approach to evaluating nature-related issues. Specifically, in order to clarify the scope of the study and the nature-related topics to be analyzed, we first used the ENCORE*3 nature risk assessment tool to confirm the overall status of our railway business' dependence, and impact, upon nature. Of the identified items, we confirmed operational details that have a high point of contact with natural capital, focusing on items that are not subject to climate change causal analysis under the TCFD.

Our railway business is broadly comprised of train operation and equipment maintenance. As a result of narrowing down the scope of our analysis, we decided to focus on our general depots, which are the largest business base in terms of scale and, therefore, have the greatest dependency, and impact, upon natural capital, as well as use the most water.

Regarding dependence on natural capital in the operation of our general depots, we recognized a certain degree of dependence on water resources for washing parts, water supply, and other uses. However, when we assessed the water stress around our bases using the Aqueduct*4 water risk assessment tool, we found that none of our general depots are located in areas with high water stress or risk of water depletion. Regarding the impact of our operations on natural capital, we recognize the risk of violating regulations and incurring liability for damages due to water and soil contamination caused by improper handling of wastewater and waste. However, we are taking steps, through our own ISO 14001-compliant environmental management system, to prevent environmental pollution, minimize damage if it does occur, and reduce our environmental impact.

We also learned that, through nature-conscious business, we can gain opportunities to deepen collaboration with local communities and expand sales of group company products and services that contribute to reducing environmental impact. The details of the analysis are shown on pages 79 and 80.

As a goal related to natural capital, the JR-West Group set a target for water usage per unit of consolidated sales, which indicates the efficiency of water use in business activities, to 6.5 m³/million yen or less by fiscal 2026. This target was achieved in fiscal 2024 through actions to reduce water usage, such as water-saving efforts by all employees, facilitated via water-related education, and the replacement of equipment with water-saving ones in each business department. We will continue to push efforts that contribute to the protection of natural capital in general, including biodiversity.

Moving forward, the JR-West Group will take appropriate measures to address the risks and opportunities it has identified, thereby working to improve corporate value in a sustained, long-term manner as a corporate group responsible for social infrastructure, while contributing to the realization of a sustainable society.

*1 RCP: Representative concentration pathways
*2 Scope 1 and Scope 2 emissions (consolidated)
*3 ENCORE (exploring natural capital opportunities, risks and exposure): A TNFD presentation tool that visualizes the risks posed to business by dependence, and impact, upon nature and by environmental change.
*4 Aqueduct: A TNFD presentation tool provided by the World Resources Institute (WRI) that can assess water-related risks, such as water stress and water depletion

Railway business dependence, and impact, upon nature

Analysis using ENCORE

Within scope of TCFD analysis				Outside scope of TCFD analysis			
Dependence			Impact	Dependence		Impact	
Adjustment			Climate change	Supply		Contamination	
Climate adjustment	Flood protection	Erosion protection	GHG emissions	Ground-water	Surface water	Non-GHG air pollution	Life hindrance
Medium	Medium	High	High	Medium	Medium	High	High

Note: Identified with the July 2024 updated version. Only identified results of "medium" or higher are listed.

■ JR-West's ISO 14001-compliant environmental management system

Environmental policy Establish environmental policy
- The head of each location determines initiative policy.

Plan Ascertain and analyze the current situation, and set objectives and goals
- Determine the scope of activities (the scope of responsibility and authority of each location head) and find out where, what, and how much is being handled.
- Find out what laws and regulations apply to the business activities.
- Analyze potential impacts on the global environment.
- Decide on initiative goals.

Do Implementation and operation
Establish a promotion system and initiatives to reduce environmental impact
- Decide on the division of roles.
- Determine the steps to take to advance initiatives and the steps to take for operations that may impact the environment.
- Decide on a contact system and first aid procedures in case of an emergency.
- Keep a record of what initiatives you want to implement.

Check Checking the progress of initiatives
- Manage the progress of initiatives in line with objectives and goals.
- If laws, regulations, or environmental management system requirements and procedures are not being observed, make improvements.
- Conduct internal audits.

Action Management review Review of initiatives
- Review initiatives based on such information as laws and regulations, internal environmental audit results, complaints, and improvement proposals.
- Review policies, objectives, goals, structures, training, procedures, etc.

Continuous improvement

Risk management

The JR-West Group will update the content of its analysis based on information such as changes in the business environment and the publication and update of a range of forecasts issued by public institutions in relation to climate change and nature-related risks and opportunities, along with measures to address them. Also, in meetings of the Global Environment Committee, we will also periodically deliberate on and monitor the content of the analysis and the state of initiatives aimed at achieving environmental targets.

Content discussed by the Global Environment Committee is reported to and discussed by the Sustainability Committee, Group Management Committee, and Board of Directors as necessary, sharing and managing matters such as climate change-related risks as important issues for management.

Indices and goals

The JR-West Group has formulated the JR-West Group Zero Carbon 2050 long-term environmental goals and has set the objective of achieving net-zero CO_2 emissions for the entire Group by 2050. We have set interim goals of reducing emissions by 35% by fiscal 2026 and 50% by fiscal 2031 (both against fiscal 2014 levels). Additionally, we have set goals of a 60% reduction by fiscal 2036 and a 73% reduction by fiscal 2041 (both against fiscal 2014 levels).

We believe that this is a level that will result in Japan meeting the goals that it has set for CO_2 reduction and lead to the achievement of the targeted temperature increase of 1.5°C or less, or less than 2°C higher than that of the time of the industrial revolution—the goal of the Paris Agreement.

With regard to water, which is the main natural capital related to our business activities, we have set a target for reduction of water usage per unit of consolidated sales, which indicates the efficiency of water use in our business activities, to 6.5 m³/million yen or less by fiscal 2026. Moving forward, we will continue to investigate what nature-related indicators and targets the Group should set, with reference to the disclosure indicators recommended by the TNFD.

The JR-West Group will contribute to the realization of a sustainable society by promoting efforts to reduce CO_2 emissions and protect natural capital.

Qualitative analysis of climate change-related risks and opportunities

■ Potential risks

*Sales of goods and food services; SC: shopping centers

Type			Risks to JR-West	Impact	Railways	Sales/ food*	Hotels	SC*	Real estate	Response
Risks associated with the transition to a decarbonized society (transition risks)	Policy and legal		Heightened costs accompanying the introduction of carbon pricing	Large	○	○	○	○	○	● Promote energy-efficient rolling stock, energy-saving equipment, and energy-saving driving ● Use alternative fuels, switch electricity to renewable sources ● Transition to low-carbon equipment and facilities through the use of internal carbon pricing (5,000 yen/t-CO_2 as of Sept. 2025) ● Install energy-efficient equipment (high-efficiency air conditioners, LED lighting, water-saving equipment, etc.) ● Decrease the amount of electricity purchased from retail electricity providers by incorporating solar power from on-site PPAs and other means ● Reduce basic contract fees by managing demand values through cooperation with tenants
			Increased green investment brought on by emissions controls	Large	○	○	○	○	○	● Respond to growing green investment through sustainable finance
	Technology		Increased development costs to support next-generation technology		○		○	○	○	● Control development costs through open innovation and joint development with other companies ● Use subsidy systems from the government and other organizations
			Failed investment due to errors in assessing environmental values		○		○	○	○	● Investment that takes environmental values into account using internal carbon pricing (5,000 yen/t-CO_2 as of Sept. 2025)
	Market		Increased costs for procuring fossil fuels		○	○	○	○	○	● Use alternative fuels ● Study sustainable modes of transportation that are environmentally appropriate for the region
			Increase in material prices due to suppliers passing on environmental costs through their pricing	Large	○	○	○	○	○	● Control the cost of purchasing materials by updating equipment and reviewing facilities
			Increase in electricity shortages caused by disturbances in the supply–demand balance associated with the electrification of society and the expanded use of renewable energy		○	○	○	○	○	● Promote energy-efficient rolling stock, energy-saving equipment, and energy-saving driving ● Establish in-house systems and methods to respond to power shortage warnings
			Increase in construction costs with the dissemination of ZEH and ZEB					○	○	● Use subsidy systems from the government and other organizations (ZEH support project of the Sustainable Open Innovation Initiative, etc.)
			Growth of ethical consumption in society		○	○	○	○	○	● Achieve smart, green transport by using MaaS in urban areas and intercity transportation ● Consider sustainable transport systems that are environmentally appropriate for the region, in consultation with the region concerned ● Pursue business (new store set-up, etc.) from the perspective of the environment and ethical consumption ● Expand EV parking spaces so EVs can coexist with public transportation ● Adopt environmentally friendly product planning, construction planning, and equipment specifications (use solar power systems, make rooftop gardens, make wooden apartment buildings fire-proof) ● Use environmentally friendly sales promotion tools in model homes (use posters and banners made of green materials, buy environmentally friendly equipment, switch to digital pamphlets, etc.)
	Reputation		Decline in the environmental preeminence of railways due to the electrification of automobiles	Large	○	○		○		
			Negative effect on material procurement due to reduced ESG rating	Large	○	○	○	○	○	● Disclose information on the status of TCFD analysis and the JR-West Group Zero Carbon 2050 long-term environmental goals ● Conduct research on the development of social infrastructure through the Kyoto University Disaster Risk Management Engineering course (JR-West), and hold regular lectures for citizens, both funded by the company ● Acquire environmental certifications, such as DBJ Green Building Certification (Development Bank of Japan) and CASBEE, and publicize these ● Create environmentally friendly standard specifications ● Incorporate new technologies in collaboration with installation contractors
			More criticism from stakeholders due to delays in initiatives and insufficient information disclosure	Large	○	○	○	○	○	
			Loss of consumer confidence due to increased suspensions of train operations		○	○		○		● Publish information on JR-West safety initiatives, including planned suspensions of operations ● Provide information to customers in a timely and appropriate manner when train operations are suspended
Risks associated with the physical impact of climate change (physical risks)	Abnormal weather	Acute risks	Increased damage to railway facilities due to the increasing frequency of typhoons and floods	Large	○	○	○	○	○	**Initiatives mainly in the railway business** **Measures to prevent flooding of railway facilities** ● Implement both facilities-based and operations-based measures to prevent flooding and relocate rolling stock at important facilities such as general depots, rolling stock holding facilities, signal equipment facilities, and control centers **Weather disaster response system** ● Introduce a weather disaster response system on major railway lines in the Kansai area to prepare for worsening weather disasters and minimize the risk of human error ● Deploy radar rainfall monitoring systems on all conventional railway lines to improve safety in the event of localized heavy rainfall **Reinforcement measures of slopes on railway lines** ● Reinforce sloping areas and establish drainage systems to improve safety and shorten times when operation is restricted, primarily in the Kyoto/Osaka/Kobe area ● Create slope disaster charts and utilize sensing technologies to understand slope deformation and enhance detection precision **Strengthening of railway track equipment** ● Improve train operations' safety and durability by replacing old wooden railroad ties with concrete ones **Planned suspensions of operations** ● Implement planned suspensions of operations, including relocation of rolling stock, as necessary when large typhoons approach or make landfall ● Appropriately provide information regarding planned suspension and resumption of operations **Emergency response training**
			More suspension of train operations and stoppage of business due to damage to railway facilities	Large	○	○	○	○	○	**Initiatives common to all businesses** ● Create a crisis management manual ● Ensure safe operation of business through proper shutdowns, and early or delayed openings or closings of stores ● Have BCP measures (supplies, BCP back-up power source, etc.) in place in new office buildings. Install emergency equipment (water and flood gates, etc.), have back-up power, install cubicles on higher building floors ● Collaborate with local government to offer usage of buildings with floors and cubicles that don't flood, and elevated water tanks, for use as regional evacuation shelters (e.g., Machiya Building, Yokohama Portside Building) ● Use hazard maps to minimize risks and boost market competitiveness (e.g., do not put apartments on the first floor of buildings in areas in danger of flooding)
			Increased disruption of train services and business operations due to power blackouts	Large	○	○	○	○	○	● Taking BCP into account, install emergency power generators at control centers in order to maintain function during power blackouts ● Establish in-house systems and methods to respond to power shortage warnings ● Deploy the N700S to the Tokaido and Sanyo Shinkansen lines (Its onboard battery-based self-propulsion system allows us to help customers in the event of extended blackouts)
			Material shortages due to disruptions in supplier logistics		○	○	○	○	○	● Ensure critical train-operation items have multiple supply sources and sufficient inventory on hand
		Chronic risks	Increased damage insurance		○					● Pursue initiatives to mitigate damage to railway facilities (stated above)
			Increased air conditioning costs due to rising temperatures		○	○	○	○	○	● Green rooftops and building walls, adopt heat-insulating materials ● Improve air conditioning efficiency by introducing district heating and cooling systems ● Reduce energy consumption by installing high-efficiency air conditioners
			Increased damage from animals due to the expanding range of wildlife caused by decreased snowfall		○					● Expand measures to prevent damage from animals (install fences to keep deer from entering, develop sound equipment for repelling animals, improve vehicle obstruction guards, etc.)
			Increase in the risk of food poisoning due to rising temperatures			○	○	○		● Step up food hygiene
	Working environment		Increase in labor accidents such as heat stroke due to rising temperatures		○	○			○	**Measures to prevent heat stroke** ● Prepare equipment to counter heatstroke, such as air-conditioned clothing, use the WBGT index, work in the morning and evening hours ● Equip crew compartments on railcars with air conditioners
			Increased cost of measures to prevent heat stroke		○				○	**Reconstruction of railway systems** ● Reduce workload along railway lines through onboard and sensor-networked ground inspections, surveying with MMS technology, and the mechanization and automation of construction work ● Reduce workload along railway lines through the integration of functions into vehicles and the simplification of ground facilities

■ Potential opportunities

*Sales of goods and food services; SC: shopping centers

Type	Opportunities for JR-West	Impact	Railways	Sales/ food*	Hotels	SC*	Real estate	Seizing opportunities
Resource efficiency	Reductions in CO_2 emissions and energy consumption by updating rolling stock and equipment to energy-efficient ones		○	○	○	○	○	● Accelerate the installation of high-efficiency equipment such as devices that utilize regenerative power, by using new subsidy programs and energy-saving facilities ● Install energy-efficient equipment when upgrading (high-efficiency air conditioners, LED lighting, water-saving equipment) ● Use ZEH subsidy systems and other support from the Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry, and Ministry of the Environment
	Equipment updates making effective use of government support systems such as tax incentives		○	○	○	○	○	
Energy sources	Wider use of fuels with net-zero CO_2 emissions, fuel cells, and storage batteries through technological progress and reductions in pricing	Large	○	○	○	○	○	● Study new energy sources (renewable diesel, carbon-free next-generation rolling stock, fuel-cell co-generation systems, etc.) ● Reduce the cost of installing storage batteries by utilizing national and local government grants
Products and services	In areas where the characteristics of railway can be put to good use, railways are acknowledged as being environmentally superior, with use increasing due to policy-based promotion of public transport and greater environmental awareness of customers (modal shift)	Large	○	○	○	○		● Increase usage of trains and the JR-West Group's many other services by publicizing trains' environmental advantages and the Group's green initiatives ● Enhance secondary transport services linked with railway (park and ride, electric bicycle sharing services, etc.) ● Enhance services using digital technology ● Enhance MaaS (Kansai MaaS, WESTER app mobile life navigation app, etc.) ● Create synergy by offering public transport users the courtesy services of other JR-West Group businesses
	Increased use due to the greater convenience of public transport associated with the proliferation of MaaS, and due to a growth in non-resident populations	Large	○	○	○	○	○	
	Increasing the use of public transport and spreading the sharing economy		○				○	● Upgrade equipment and systems for bike sharing and other parts of the sharing economy
	Spread of sustainable modes of transportation that are environmentally appropriate for the region	Large	○					● Cooperate with regional communities using demand-based transportation to make regional public transport more convenient ● Promote BRT development projects using self-driving and convoy driving technologies
	Spread of sustainable modes of housing that are environmentally appropriate for the region						○	● Develop environmentally friendly housing (architectural planning, equipment specs, sales methods*) *e.g., save on building materials by reusing a model home for multiple properties; use VR to give prospective buyers virtual tour of housing units
Market	Reduction of electricity procurement costs through expansion of renewable energy		○	○	○	○	○	● Study participation in renewable energy business ● Expand renewable energy use by installing solar power equipment through on-site PPAs that utilize building rooftops and idle land
	Wider use of electricity with net-zero CO_2 emissions through technological progress and reductions in pricing Acquisition of real estate that has low environmental impact and meets rental needs						○	● Use 100% renewable energy for new lease properties ● Encourage customers and others to carry out ESG investing by acquiring environmental certifications, such as DBJ Green Building Certification (Development Bank of Japan) and CASBEE
	Securing of revenue in the electricity supply and demand market using JR-West equipment		○				○	● Study participation in VPP (virtual power plant) business
Resilience	Ensuring of reliability through successful BCP measures in the event of weather disasters so as to reduce suspensions of train operations and stoppage of business		○	○	○	○	○	● Pursue measures to mitigate damage to railway facilities (see previous page) and disclose related information ● Gain customers by developing real estate resistant to natural disasters ● Have BCP measures (supplies, BCP back-up power source, etc.) in place in new office buildings ● Install emergency equipment (water and flood gates, etc.)
	Maintaining railway forests helps reduce CO_2 emissions and prevent disasters		○					● Ongoing forest conservation activities through Club J-West Forest ● Study the effective use of railway forests

Assumptions for quantitative impact of TCFD risks and other concerns

For risks and other concerns extracted through qualitative analysis, we have made quantitative impact assumptions for those items that we expect to have a significant impact and for which objective future forecast data corresponding to the scenarios used in the analysis are available. In addition, we have estimated the trend in transportation revenues based on estimated population and GDP data derived from socioeconomic scenarios.

Our assumptions are based on society in 2030 or 2050. The transition risks are calculated based on a 1.5°C/2°C scenario in which society acts proactively to address climate change. The physical risks and impacts on transportation revenues are calculated based on 1.5°C/2°C and 4°C scenarios. (The results of the estimated impacts are shown in the chart on page 78.)

In particular, the physical risks and impacts on transportation revenues are greater in the 4°C scenario than in the 1.5°C/2°C scenario. Based on these factors, we will take measures to address the risks and promote initiatives to realize a decarbonized society, so as to help curb climate change.

■ Presuppositions for assumed transition risk and physical risk impact

	Item	Source of forecast data used for trial calculation	Assumed impact in 2030	
			4°C scenario	1.5°C/2°C scenario
Transition risks	Heightened costs accompanying the introduction of carbon pricing	IEA "World Energy Outlook 2024"	–	US$ 140/t-CO_2 (2030, NZE scenario, developed countries) Exchange rate: US$ 1 = ¥149
	High material prices due to suppliers passing on environmental costs	Kiyoshi Fujikawa (author) "Load of Carbon Tax by Region and Income Group," others	–	About 2% higher than the current level

	Item	Source of forecast data used for trial calculation	Assumed impact in 2050	
			4°C scenario	1.5°C/2°C scenario
Physical risks	Greater damage to facilities due to increase in natural disasters	Technical Study Group on Flood Control Planning in Light of Climate Change "Recommendations for Flood Control Planning in Light of Climate Change" (revised April 2021); Ministry of Land, Infrastructure, Transport and Tourism	Approx. four times more frequent than current levels	Approx. two times more frequent than current levels
	Reduced revenue owing to increased operational suspensions due to natural disasters			

■ Quantitative impact assumptions (financial impact) for transition risks and physical risks

	Item	Assumed impact in 2030	
		4°C scenario	1.5°C/2°C scenario
Transition risks	Heightened costs accompanying the introduction of carbon pricing	–	+22.3 billion yen/year
	High material prices due to suppliers passing on environmental costs	–	+2 billion yen/year

	Item	Assumed impact in 2050	
		4°C scenario	1.5°C/2°C scenario
Physical risks	Greater damage to facilities due to increase in natural disasters	10 billion yen/year	3 billion yen/year
	Reduced revenue owing to increased operational suspensions due to natural disasters	4.5 billion yen/year	1.5 billion yen/year

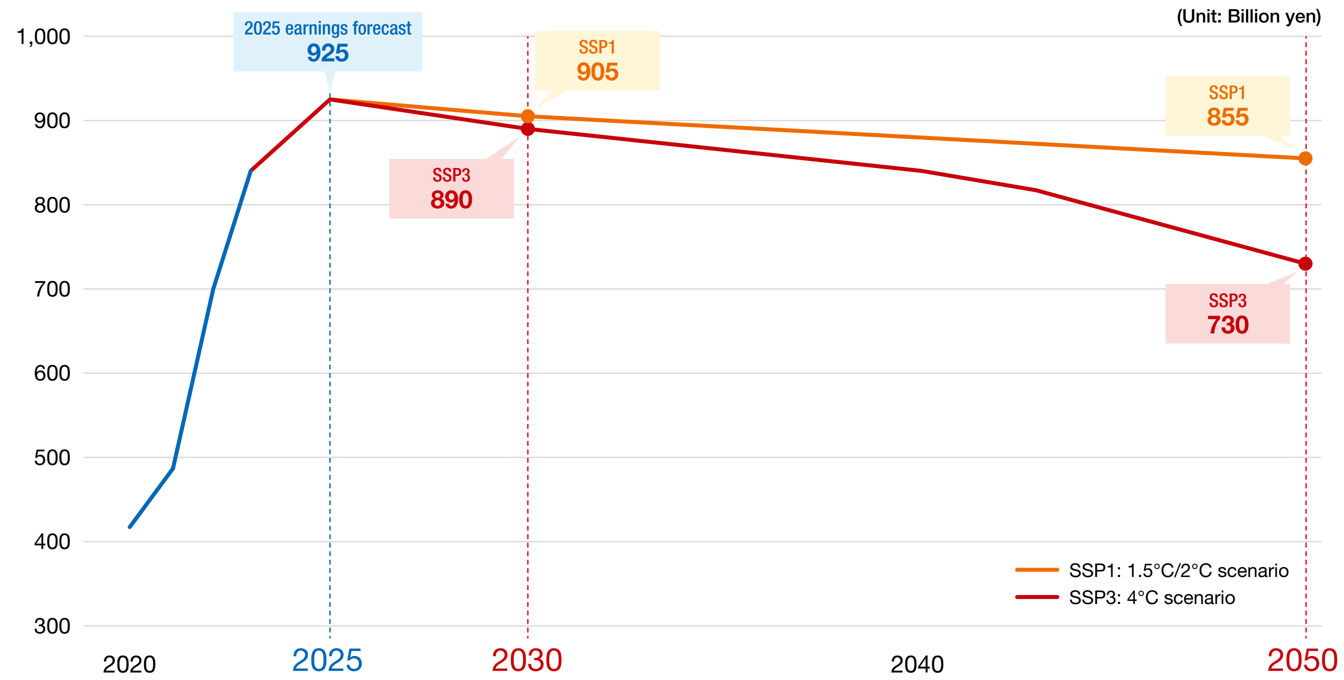
■ Trial calculation of changes in rail transportation revenue

Based on population and GDP data derived from socioeconomic scenarios, which are used in cross-disciplinary climate change research, we have estimated the changes in rail transportation revenue up to 2050.

The population data is derived from "Japanese SSP Population Estimates by City, Town, and Village," published by the National Institute for Environmental Studies. GDP data is derived from "Socioeconomic Projections of the Shared Socioeconomic Pathways (SSPs) Release 3.1," published by IIASA (International Institute for Applied Systems Analysis).

Based on projected demographic and domestic GDP changes in our business areas, we have estimated the changes that will occur after implementation of the JR-West Group Medium-Term Management Plan 2025. (For the data referenced here, the 1.5°C/2°C scenario = SSP1 and the 4°C scenario = SSP3.)

The future forecasts in our trial calculation are based on demographic and GDP estimates only and do not take into account individual factors that may affect revenues, such as future sales measures.

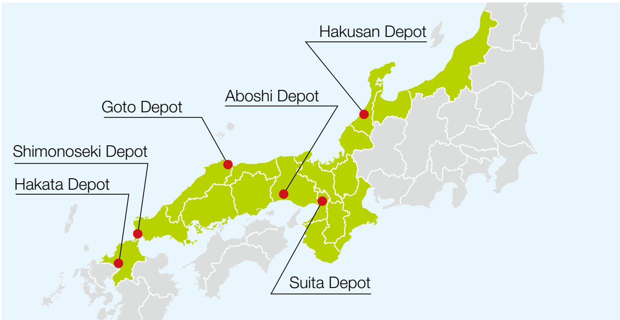


Taskforce on Nature-related Financial Disclosures

Qualitative analysis of nature-related risks and opportunities

Analysis target

The JR-West Group focuses on its general depots, which are central locations with significant points of contact with natural capital, and conducts analysis and assessments in accordance with the LEAP approach advocated by the TNFD as an integrated approach to assessing nature-related issues. We have six general depots: Hakusan Depot (Hakusan, Ishikawa Prefecture), Hakata Depot (Nakagawa, Fukuoka Prefecture), Suita Depot (Suita, Osaka Prefecture), Aboshi Depot (Ibo, Hyogo Prefecture), Goto Depot (Yonago, Tottori Prefecture), and Shimonoseki Depot (Shimonoseki, Yamaguchi Prefecture). In carrying out regular inspections of railcars and large-scale improvements to trains, these depots remain aware of their dependence, and impact, upon natural capital.



Analysis of regional characteristics

Scoping using the LEAP approach was used to assess water and biodiversity-related risks based on results considering operations at general depots.

Water-related risks

To assess water-related risks at general depots, we conducted an analysis using Aqueduct. The results showed that, at all general depots, the risk level of water stress and water depletion for water resources, which are heavily relied upon in the regular inspection process, did not exceed "low to medium," thus we view the risk as being low. We will continue to recognize water as an important resource and promote daily water conservation practices, utilization of recycled water, and other actions.

■ Water-related risk assessment Analysis using Aqueduct

Water-related risk	Hakusan	Hakata	Suita	Aboshi	Goto	Shimo-noseki
Water stress*	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium	Low to medium
Water depletion**	Low to medium	Low	Low to medium	Low to medium	Low to medium	Low to medium

*Water stress: Ratio of total water demand (consumptive and non-consumptive) to renewable surface and groundwater supplies
**Water depletion: Ratio of total water demand (consumptive) to renewable surface and groundwater supplies

Biodiversity-related risks

To assess biodiversity-related risks at general depots, we conducted an analysis using IBAT*. From the results, seven biological habitats and protected areas were identified within a 3 km radius of general depots. However, all of these were at IUCN category IV to VI levels, and no areas were designated as strict nature reserves, wilderness areas, national parks, or natural monuments.

*IBAT (integrated biodiversity assessment tool): A TNFD presentation tool for biodiversity-related assessment developed by four organizations: BirdLife International, the World Conservation Monitoring Centre (WCMC), the International Union for Conservation of Nature (IUCN), and Conservation International.

■ Biodiversity-related risk assessment

Analysis using IBAT (number of applicable areas within a 3 km radius)

IUCN category*		Hakusan	Hakata	Suita	Aboshi	Goto	Shimo-noseki
Ia	Strict nature reserve	0	0	0	0	0	0
Ib	Wilderness area	0	0	0	0	0	0
Ⅱ	National park	0	0	0	0	0	0
Ⅲ	Natural monument	0	0	0	0	0	0
Ⅳ	Habitat/species management area	0	1	1	0	1	1
Ⅴ	Protected landscape/seascape	0	0	0	0	0	0
Ⅵ	Protected areas with sustainable use of natural resources	1	0	0	0	1	1
Total number of applicable areas		1	1	1	0	2	2

*Based on the IUCN's "Guidelines for Applying Protected Area Management Categories"

Dependence, and impact, upon nature

With regard to regular inspections, which are the main job of the general depots, we checked the actual conditions at the depots and used ENCORE to clarify their dependence, and impact, upon natural capital. We identified water, soil, air, and living things (animals) as natural capital related to operations.

Water

- Dependence: Large amounts of water are used in processes such as the washing of rolling stock and their parts during regular inspections and the supplying of water to rolling stock. Therefore, if water becomes unavailable, it may not be possible to carry out these tasks adequately. However, even in such cases, apart from some impact on service quality, there will be no problems with ensuring safety or train operations, and there will be no immediate impact on rail transportation revenue. We have also determined that the risk of water stress and water depletion is low in the areas where all of our general depots are located and that the likelihood of these risks materializing is low. At the same time, because water is a vital resource, we are using water resources efficiently, in preparation for the risk of water being unavailable, by raising awareness of water conservation through education, utilizing water recycling systems, and regularly monitoring water usage.
- Impact: At general depots, oil and grease are used in the washing water effluent from rolling stock and their parts, as well as used in repair work, so there is a risk of water contamination due to improper handling. We work to reduce this risk by performing work in accordance with work manuals, as well as by conducting regular inspections and site visits and by monitoring usage.

Soil

- Impact: There is a risk of soil contamination due to improper handling of industrial waste or materials containing organic solvents, or due to oil spills during refueling. To address this risk, we have taken measures such as continuing education on how to handle industrial waste, conducting regular site visits, and managing usage. We are also working to reduce risk by using water-based paints, which have a lower environmental impact.

Air

- Impact: There is a risk of air pollution due to improper disposal of volatile organic compounds (VOCs) used in painting. We are working to reduce this risk by properly installing and operating dust collection equipment and regularly monitoring and measuring emissions.

Living things (animals)

- Impact: The noise associated with work operations may have an impact on animals. With regard to biodiversity-related risks, although there are no areas within a 3 km radius of general depots that are categorized as IUCN categories Ia to III, we are working to reduce the burden on living things through strict operational management based on our environmental management system, the installation of soundproof fences, and noise monitoring.

■ Analysis of contact with nature at each stage of regular inspections

Regular inspection flow	Dependence	Impact			
	Water	Water	Soil	Air	Animals
Entrance/entrance inspection	–	–	–	–	Noise from work
Equipment and parts removal	–	–	–	–	
Inspection and repair	Washing	Oil and organic solvent spillage		–	
	Supplying water	Industrial waste scattering and spillage		–	
	–	Wastewater	–	–	
Painting	Boiler equipment drying	Organic solvent spillage		VOC emissions	
Equipment and parts installation	–	–	–	–	
Exit inspection/exit	Supplying water	–	–	–	

■ Qualitative analysis of risks and opportunities

We analyzed risks and opportunities, and our actions in response to them, based on dependencies and impacts. The main risks identified were those related to water. We have been steadily addressing this issue through our environmental management system, and we will continue to conduct object- and policy-based measures, which include the thorough implementation of our environmental management system.

With regard to opportunities, we will pursue collaboration with local communities and undertake various energy conservation and recycling activities for the effective use of resources. We will also work to expand sales channels to companies outside the Group for products and services from group companies that help reduce environmental impact.

Risks

Type		Risks to JR-West	Response
Physical risks	Chronic risks	Improper cleaning of railcars and parts due to depletion of water	● Raise awareness of, and practice, daily water conservation ● Save water through water usage monitoring ● Utilize recycled water
Transition risks	Policies	Stronger regulations on wastewater and other emissions from business activities	● Comply with relevant laws and regulations via thorough implementation of our environmental management system and implement measures to adapt to tighter regulations ● Respond with both object- and policy-based measures, such as maintenance and management of wastewater treatment equipment and water quality monitoring
	Reputation	Damage to company reputation as a result of negative impact of operations-related noise on neighboring residents and community	● Implement measures corresponding to the cause of noise, such as installing soundproof sheets or changing the work location ● Build relationships with local residents and the community, such as through collaboration in community service projects
	Liability	Water and soil contamination caused by improper handling of waste and other materials	● Avoid risks of environmental pollution and reduce environmental impact via our ISO 14001-compliant environmental management system ● Conduct regular training and education aimed at ensuring proper handling of waste and other materials ● Establish a system for rapid response and communication in the event of contamination

Opportunities

Type		Opportunities for JR-West	Seizing opportunities
Business performance	Market	Progress in collaboration with local communities	● Collaborate with local communities, such as through partnership agreements
	Resource efficiency	Progress in efficient use of water resources	● Raise awareness of, and practice, daily water conservation ● Save water through water usage monitoring ● Utilize recycled water
		Progress in efficient use of resources other than water	● Recycle items and materials related to the operation of general depots • Railcar material waste • Recyclable train waste such as bottles, cans, and plastic bottles • Wooden pallets • Used cooking oil from employee cafeterias...etc.
	Products and services	Popularization of low-environmental-impact products in response to growing societal demand for reduced environmental impact	● Use renewable diesel fuel on diesel trains ● Use environmentally friendly materials, such as low-VOC materials
		Expansion in sales of products and services that contribute to reducing environmental impact	● Expand sales channels to companies outside the Group (e.g., West Japan Railway Techsia Co., Ltd. J-TREAT highly efficient wastewater purification equipment, West Japan Railway Technos Corporation renovation work based on existing trains, etc.)
Sustainability performance	Sustainable use of natural resources Ecosystem protection, restoration, and regeneration	Progress in collaboration with local communities	● Actively participate in cleanups and environmental conservation activities in collaboration with local communities

Conserving water resources when washing vehicles

From the perspective of water resource conservation, Hakata Depot is reusing a portion of the factory wastewater. Previously, the entire factory used approximately 560 m³ of industrial-use water and tap water per day, but by introducing a blended water treatment system, we are now able to reuse approximately 100 m³ of factory wastewater and rainwater per day, protecting water resources and reducing the amount of water discharged into the sewer system. As one example, we use vehicle washing equipment that reuses factory wastewater and rainwater, eliminating the need for industrial-use water.

Our values
President's message
Value creation process
Materiality
Corporate governance
Data

Human resource development as a source of value creation

Message from the general manager of the HR Strategy Division

JR-West Group's human resource strategy: A strategy aligned with the business strategy

The JR-West Group believes that the alignment of its human resource strategy with its business strategy will only become more important as the environment in which it operates continues to undergo significant change.

As we work to realize the Long-Term Vision 2032 in keeping with Our Purpose, we're further enhancing the safety of our core railway operations while simultaneously taking on challenges to further invigorate the mobility services field centered on railways and expand the life design field.

The drivers of these challenges are the JR-West Group's human resources. By formulating and executing a human resource strategy aligned with the Medium-Term Management Plan 2025, we're shifting from a highly homogeneous human resource portfolio toward greater diversity.

Reflecting our belief that creating a diverse human resource portfolio by developing human resources across the entire Group who possess the ability to adapt to and create change will lead to the Group's sustained growth, we will continue to create an environment in which diverse human resources can thrive.

Diversifying the human resource portfolio

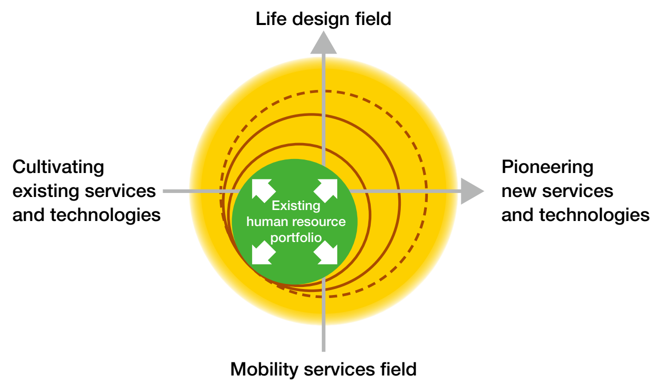
We believe we can contribute to the realization of a convenient and enriched society through the cumulative efforts of employees who support the safety and reliability of railway operations in the mobility services field and through the hiring and training of individuals capable of creating new value in the life design field. We believe these efforts will lead to the creation of social value and economic value in both fields.

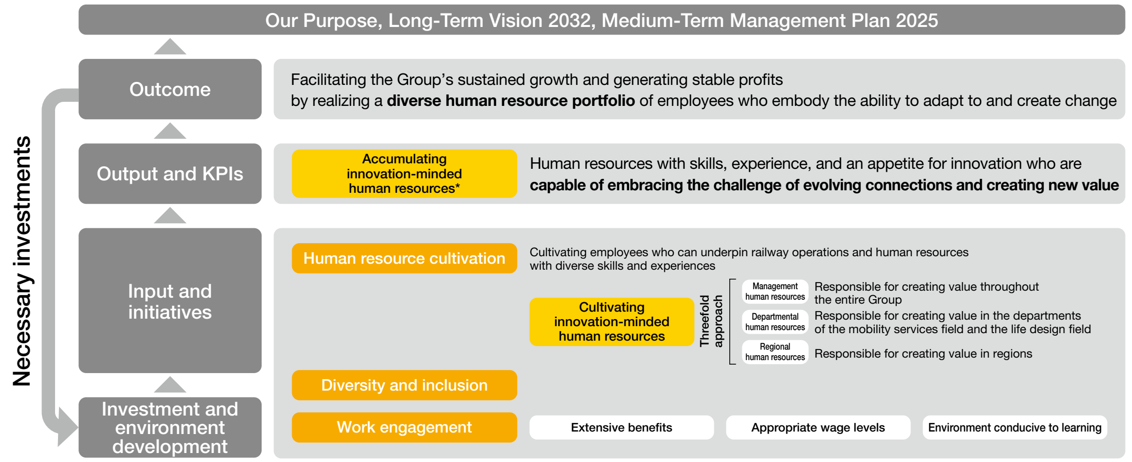
To diversify our human resource portfolio, we've defined the human resources to be cultivated, the organization to be built, and the culture to be fostered. We're formulating and carrying out initiatives while centering our human resource strategy around human resource cultivation, diversity and inclusion, and work engagement.

Human resources to be cultivated	Human resources who can take ownership of changes in society, autonomously **change themselves** to their ideal self, and **create new value** = Human resources who demonstrate **initiative** and **autonomy** and have diversity in skills and experience	Human resource cultivation
Organization to be built	An organization that is unified as a group and creates new knowledge through diversity = A corporate group that demonstrates **synergy** and transforms **diverse** individualities into strengths	Diversity and inclusion
Culture to be fostered	A culture where employees can empathize with Our Purpose, gain energy from their work in a trustworthy team, and work hard with enthusiasm = A culture that creates a **high level of work engagement** and a sense of growth	Work engagement

As a result of these efforts, human resource headcount allocated to the life design field has steadily increased (in the Head Office and other back-office departments from about 200 employees in fiscal 2023 to about 500 in fiscal 2026), and we believe progress is being made.

Through these ongoing initiatives, we will continue to create opportunities for each employee to demonstrate their abilities, enhance safety initiatives in railway operations, and pursue diversification of the human resource portfolio as we work to develop the mobility services field centered on railways and to expand the life design field.





*The Group defines "innovation-minded human resources" as individuals with skills, experience, and an appetite for innovation who are capable of embracing the challenge of evolving connections and creating new value, and it considers the accumulation of innovation-minded human resources and candidates to be the enhancement of its human capital.

Our vision for the future and the values we wish to prioritize

We anticipate various changes in the environment going forward. For example, we believe a fundamental transformation of our human resource strategy is necessary based on the following issues:

We cannot continue to exist unless we're chosen in a labor market where the working population is rapidly declining.

We must shift away from personnel management premised on homogeneity and place even greater importance on supporting the growth of diverse individuals.

We must respond appropriately to changes in the qualities required of human resources as generative AI continues to advance.

Through discussions held with mid-level and younger employees who will lead the Group in the future, we identified the following values as essential for developing human resources who will evolve connections through co-creation and the embracing of challenges and who will drive the future.

Core values for considering future human resource strategy	1. Valuing each individual as a person 2. Valuing each individual's ability to embrace challenges 3. Valuing contributions to each individual's ability to live a fulfilling life

Based on these three values, we will advance our human resource strategy by strengthening autonomous career support that enables individual employees to take the initiative, optimizing human resources management to maximize human capital for individuals, fostering the development of human resources who take on value creation challenges, building a culture that encourages challenge based on psychological safety, and supporting self-realization as well as economic, mental, and physical well-being. We will further advance diversity and inclusion as a cross-cutting theme across all initiatives and continue to implement measures accordingly.

Through the advancement of these strategies, we'll create an environment in which employees with diverse backgrounds can fully demonstrate their abilities and work with vitality while combining diverse individual strengths to generate new value aligned with Our Purpose.

Human resource strategy

Human resource cultivation

Basic concept of human resource cultivation

The JR-West Group believes that employees' diverse skills and experiences will help realize a diverse human resource portfolio with the ability to create innovation and adapt to and create change. In addition to deepening the level of specialization in the mobility services and life design fields by offering employees opportunities to develop their own careers autonomously, we will increase diversity of skills and experiences through work experience in responsible positions and through the experience of creating new value in concert with other departments.

Cultivating human resources to underpin railway operations

We believe that cultivating human resources to underpin field operations in our railway business serves as the basis for safe, stable operations in the future, making this an extremely important priority.

We support the growth of each employee through on-the-job training (OJT), which helps them gain knowledge and skills in the workplace through everyday work. This is complemented by group training at our staff training center and other facilities and self-study like online learning.

In addition, we're pursuing initiatives based on our education plan so that we can continue to cultivate employees with the necessary skill levels and thereby ensure our railway business will continue to operate going forward. Specifically, we define practical skill standards that set forth skills and abilities needed to perform the responsibilities of each occupation and level, visualize individual employees' status, and offer OJT and group training to suit those needs.

Safe and stable railway operations are supported by each and every employee working on the front lines, including those hired through professional recruitment channels. To help these employees realize their envisioned career paths, we're implementing initiatives such as the development of career steps and open-application training programs designed to equip them with the necessary skills and knowledge.

Expanding opportunities for self-motivated career development

We believe combining employees' diverse knowledge and experience leads to innovation and a greater ability to adapt to and create change.

By introducing systems and establishing an environment that allows employees to actively and autonomously engage in career development, we're expanding opportunities for individual employees' proactive learning and embracing of challenges while stimulating a willingness to grow. This approach creates a virtuous cycle in which employees further enhance their own expertise. We've also introduced management workshops for managers to equip them to support the autonomous career development of team members.

In this way, we are creating a large number of human resources with diverse skills and experience, and through their growth, we maximize the power of individuals and the organization.

Specific actions

- Expanding career choice opportunities through open position recruitment
- Expanding the off-the-job training menu and support to acquire qualifications
- Encouraging side jobs through the sub-career system
- Providing support for new business creation and commercialization opportunities through the Innovation Creation Program
- Introducing online learning for use by all employees
- Offering domestic and international study and overseas internships
- Introducing a selective four-day workweek

Taking our expertise abroad

To leverage the experience and knowledge gained in my career so far and enhance individual skill-building, I participated in an open-application training program offered through JARTS (Japan Railway Technical Service). Over approximately three months in Manila, Philippines, I engaged in rolling stock maintenance operations for MRT Line 3, working to improve transport quality by advising local staff on maintenance methods and coordinating with equipment manufacturers.

Going forward, I hope to build on the insights and experience gained overseas and grow into a leader who can drive operations at my workplace.

Suita Depot
Takuma Nishimura

Career development program

We introduced a career development program in fiscal 2024 to continue developing management human resources capable of driving value creation across the Group and to support growth across diverse fields through autonomous career development.

Specific initiatives in the program are geared to foster an ability to adapt to and create change on the part of candidates for selection as management human resources, for selection as management human resources, including (1) job rotation designed to offer multiple organizational experiences and multiple areas of specialization that are important from a strategic standpoint and (2) support for gaining business literacy so that candidates can gain more areas of specialization.

We've defined seven areas of specialization that need to be mastered by candidates for selection as management human resources based on the officer skills matrix: management and finance, governance, systematic technologies, safety, marketing, digital innovation, and coexistence with local communities and city development. We work to foster these skills systematically through assignment of candidates to responsible positions so that they can gain multiple areas of specialization and through the acquisition of skills through various types of training, support to help candidates earn qualifications, and other off-the-job training.

Evaluating KPIs

In fiscal 2025, we achieved generally steady results. In particular, the number of users of career support programs increased significantly, by 834 year on year, to surpass our targets thanks to the expansion of qualification support programs and the launch of innovation programs. We will continue to monitor usage while deepening the online learning services introduced in August 2024 and expanding available offerings as we continue building frameworks to empower each employee to autonomously shape their own career.

With regard to the next-generation senior management human resource reserve ratio, we will monitor the status of efforts to cultivate such candidates while holding human resource development meetings* and cultivate human resources with diverse skills and experiences.

■ Progress in KPIs related to human resource cultivation

INPUT / OUTPUT				OUTCOME
Initiatives	KPIs (related outcomes)	FY2025 results	FY2028 KPIs	
Human resource cultivation	Number of users of various systems to support career development (1)	3,933	2,880	Develop independence and autonomy to plan their own careers (1) Broaden diversity of skills and experiences (2) Deepen specialization in regions and systems (3)
	Proportion of candidates for management positions who have multiple areas of specialization (2)	46%	30%	
	Next-generation senior management human resource reserve ratio Among them, the proportion of those who have skills related to businesses that are not linked to mobility (2)	175% 17%	400% 40%	
	Number of next-generation regional human resources Number of employees preparing to serve as next-generation regional human resources (3)	–	30 60	

*Human resource development meetings
We hold these meetings regularly with human resource development administrators to assess efforts to train innovation-minded human resources. In addition to allowing those administrators and others to monitor the development of the individual employees in question, these meetings are used to review which skills and experience employees are expected to acquire next.

Disclosing information related to human capital

■ Governance

Under the leadership of the general manager of the Corporate Strategy Headquarters' HR Strategy Division, the HR Strategy Division is responsible for human capital-related strategy, referring for discussion and reporting matters concerning the human resource strategy and progress in its implementation to the Board of Directors.

Each department's human resource development administrator convenes a human resource development meeting and regularly monitors the status of efforts to cultivate innovation-minded human resources. We've created a Personnel Committee consisting of representative directors and the general manager of the HR Strategy Division with the goal of ensuring fairness and trust in human resource matters, particularly with regard to those innovation-minded human resources who are also management human resources. The committee studies and deliberates how to best realize human resource development and appropriate treatment.

■ Risk management

Japan's working-age population is forecast to shrink in the future, and that trend may make it difficult for the Group to secure human resources for its business operations.

It will be essential to secure and cultivate the human resources needed to expand our business domains and embrace the challenges posed by new fields of endeavor as we work to realize the Long-Term Vision and other business strategies. The Group is working to ensure it can hire and retain human resources by expanding its hiring channels and implementing its human resource strategy.

■ Specific actions

Description	Results
Hiring more mid-career people	Cumulative total: 1,421 people (total from April 2023 to April 2025)
Expanding reemployment	Cumulative total: 75 people (total from October 2023 to April 2025)
Establishing a reemployment system for people aged 65 and older	Cumulative total: 381 people (total for FY2024 and FY2025)
Hiring foreign nationals	26 people (number of employees as of April 2025)
Securing digital specialists (Trailblazer Inc.)	Cumulative total: 72 people (total from company establishment in 2023 to April 2025)

Human resource strategy

Diversity and inclusion

Basic concept of diversity and inclusion

In keeping with the message from top management on promoting diversity, the JR-West Group views each employee's nationality, age, disability status, gender, sexual orientation, values, caregiving responsibilities, and internal/external experience as important individual characteristics.

Guided by Our Purpose, we seek to create value for a diverse array of customers, communities, and societies through innovation and productivity improvement generated by combining diverse experience, knowledge, and values, and through strengthened risk management and governance informed by multifaceted perspectives, thinking, and actions. We also believe that being an organization where diverse employees feel psychologically safe and able to demonstrate their individuality and strengths will contribute to improved work engagement and human resource retention.

As a company that has developed its business with railways at the core, we have, following a period when regulations limited night work for women, steadily improved our environment and expanded job categories. Today, female employees thrive in all departments, including technical roles.

At the same time, because our business operations require nighttime work, challenges remain in balancing life events with career development. Creating an environment where all employees can achieve this balance benefits not only the individuals in question and their families, but also strengthens job-related skills, making it valuable for colleagues and the company as well. In addition, by promoting childcare participation among male employees, we seek to contribute to solving the broader social challenges faced by dual-income, co-parenting households.

Alongside efforts to expand employment of persons with disabilities, recruitment of foreign nationals, mid-career hiring, and comeback hiring, we will continue promoting diversity and inclusion under the concept of "My way, your way, creating the future together," as we work to be a company where employees with diverse experiences and values can thrive.

Administrative officer; manager,
Diversity Promotion Office,
HR Strategy Division,
Corporate Strategy Headquarters
Ayumi Nakayama

KPI trends

■ Progress toward achieving KPIs related to diversity and inclusion

Initiatives	Monitoring indicators	FY2025 results	FY2028 KPIs	OUTCOME
Diversity and inclusion	Number of female candidates for leadership positions: 200 (cumulative through FY2028)	Percentage of women in leadership positions: 8.0% +1.2 points over FY2024	Percentage of women in leadership positions: 10%	A corporate group that demonstrates synergy and transforms diverse individualities into strengths
	Number of female candidates for managerial positions: 110 (cumulative through FY2028)	Percentage of women in managerial positions: Non-consolidated: 4.3% JR-West Group: 9.3% Non-consolidated: +0.7 points over FY2024	Percentage of women in managerial positions: Non-consolidated: 10% JR-West Group: 10%	
		Percentage of employees with disabilities: 2.89% −0.05 points over FY2024	Percentage of employees with disabilities: 2.8%	

(INPUT / OUTPUT: Initiatives, Monitoring indicators, FY2025 results, FY2028 KPIs)

Note: JR-West, non-consolidated (excluding percentage of women in managerial positions [JR-West Group]).
Percentage of women in leadership/managerial positions (JR-West non-consolidated) includes employees seconded from other companies and others.

Evaluating KPIs

By identifying challenges related to appointing leader and managerial candidates and providing individualized growth support (such as mentoring and external training), we've steadily increased the ratio of women in leadership and management, with female leaders up by 78 and female managers up by 31 over the two years since KPIs were set (end of fiscal 2023).

In working to achieve these KPIs, we're reinforcing the identification and development of candidates, including applying the new career steps fully launched in fiscal 2026. We're also advancing Group-wide initiatives such as presenting role models through joint career training programs.

With regard to employing persons with disabilities, we're working to increase the employment rate in collaboration with our special subsidiary, JR-West Iwill Co., Ltd. In fiscal 2025, the disability employment rate declined by 0.05 points year on year due to a decrease in direct employment by JR-West alone.

To raise the employment rate, we're receiving consulting-based recruitment and retention support and working to deepen understanding of employment of disabled persons.

From fiscal 2026 onward, revisions to the exclusion rate and increases to the statutory employment rate are planned. In coordination with Iwill, we will continue working to expand disability employment over the medium and long term.

Gender equality initiatives

Among diversity initiatives, we consider the advancement of women to be a priority issue and are setting targets and conducting outreach to students to expand female recruitment. We're also carrying out initiatives in growth support, environment improvement, and career development as ways to enable female employees to realize their envisioned career paths.

Support for growth

We're strengthening individualized growth support through mentoring, career development programs, and external training for female managers and leader candidates.

Environment development

Through facility improvements and expansion of flexible work systems, we're developing an environment where women can thrive in all job categories.

Career development

Under the previous career steps, job rotation and required experience periods were uniform, making it difficult to balance life events with career advancement. We've revised the system to create a flexible, multi-track career step model.

Passing the baton to the future through diverse experience

I joined JR-West in 1999 as part of the first cohort of female high school graduates and currently serve as a section chief in the Hiroshima Conductors Unit, where I handle supervisory duties and overnight shifts. By taking advantage of the reduced-workday system, I take two additional days off each month while still completing seven to eight overnight shifts, balancing work and childcare.

To date, I've gained experience not only as a conductor and driver, but also in back-office departments such as safety promotion and legal affairs. In my current role coordinating trains geared to train workers in how to handle unusual situations, I help young and trainee conductors gain hands-on experience and learn how to respond during disruptions. Coordination with stations, engineering, and other departments is challenging, but I find updating training content by applying my experience across multiple fields to be highly rewarding.

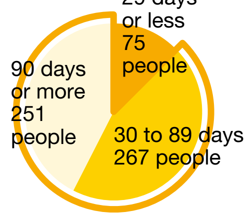
Section chief,
Hiroshima Conductors Unit
Ayumi Tahara

Creating an environment that lets employees balance work and family responsibilities

We've put in place work programs and health support measures that help employees balance work with childcare, nursing care, and other responsibilities.

The average rate of parental leave taken by male employees in fiscal 2025 was 72.0%, far exceeding the Japanese national average. In addition, to support employees raising children with serious illnesses or disabilities, we revised our systems in 2024 to expand eligibility for reduced-hour and reduced-workday arrangements.

■ Number of days of parental leave taken by male employees
(FY2025)



About 90% took at least 1 month of leave.
Average number of days of leave taken: 101.5

The bonds and growth fostered through parental leave

With the birth of our second child, and with strong support from my boss and colleagues, I took approximately five months of parental leave.

In the handover process before taking leave, clearly communicating objectives and schedules allowed for a thorough review of tasks, which also helped me organize my own thoughts.

Parental leave strengthened our family bonds. And since returning to work, I've been balancing work and childcare through the use of telework and flextime, which has prompted me to rethink my own work style.

Innovation Department
Kenta Morimoto

Creating an environment where diverse human resources can flourish professionally

Foreign nationals thriving in the workplace

As of April 2025, JR-West employed 26 foreign nationals (18 career-track and 8 professional-track). In fiscal 2026, the JR-West Group welcomed its first technical intern trainees, hiring six from Vietnam for rolling stock maintenance positions at West Japan Railway Technos Corporation, followed by three from Vietnam for building-cleaning positions at JR West Maintec Co., Ltd.

Step by step toward becoming railway professionals

We arrived in Japan in May 2025 and have been studying the fundamentals of railways at West Japan Railway Technos since June, including classroom instruction and basic training in the practice yard. We're also learning about Japanese culture and customs while living in the dormitory. We are working hard to acquire technical skills as quickly as possible. We will soon begin working on actual rolling stock maintenance, including inspections and repairs of bogies and pneumatic components.

West Japan Railway Technos Corporation
Technical intern trainees

Promoting understanding of LGBTQ+ issues

We've put in place an environment conducive to understanding of LGBTQ+ issues by formulating a basic policy, raising awareness through education and other programs, and enabling same-sex partners to use applicable employee programs. We also sponsor Pride Center Osaka, which is operated by the NPO Nijiiro Diversity, and continue efforts to increase allies within the company through event participation, in-house communications, and distribution of ally stickers.

Hiring disabled employees and helping them contribute

At JR-West, we employ persons with disabilities in collaboration with Iwill. To create diverse working environments within the cleaning business, Iwill has introduced cleaning robots on a trial basis. Iwill also manages JR-West's uniform operations, and is advancing initiatives such as reusing fabric from cut, used uniforms to create bags and business card holders. As of June 1, 2025, 212 disabled employees are working across the JR-West Group.

Human resource strategy

Work engagement

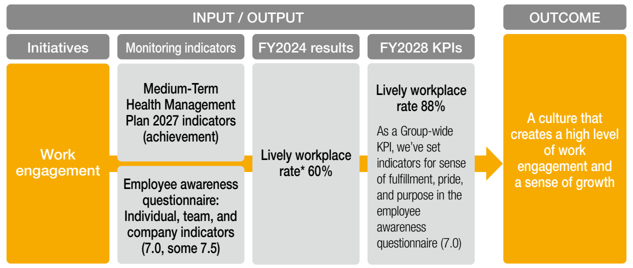
Basic concept of work engagement

Human resources are "capital with heart," and the performance of each employee changes greatly depending on their relationship with the company and the team. Only when every employee feels confident, proud, and able to work in a safe and supportive environment can we take on diverse challenges and generate meaningful results.

For this reason, the JR-West Group is working to foster and embed a culture in which employees can envision their ideal careers and work with vitality, guided by our shared values as set forth in Our Purpose.

At JR-West, we use the lively workplace rate to assess workplace conditions based on stress levels and work engagement, while the JR-West Group overall uses three KPIs: sense of fulfillment, pride, and purpose. Through regular questionnaires and autonomous PDCA cycles within each department, we've monitored progress and implemented improvements.

We will continue building workplaces where every employee can thrive as we strive to be a company where employees can work happily while creating both economic and social value.



*A "lively workplace" is a workplace that has been evaluated through a stress check as having low stress with a high level of work engagement.

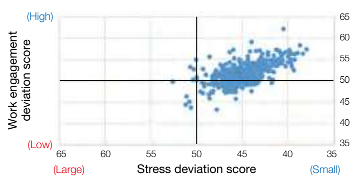
JR-West's KPIs and identifying issues in real-time

JR-West uses stress checks to quantify the stress status and work engagement of each workplace and expresses them in the form of the lively workplace rate.

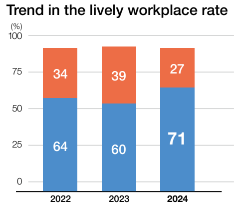
Work engagement scores rose in fiscal 2026, driving significant growth in the rate of lively workplaces from 60% to 71%. We believe this improvement reflects the positive impact of management practices by executives, department managers, and site leaders, as well as activities by volunteer groups working to improve employee motivation and workplace satisfaction.

We also measure work engagement at a higher frequency through separate surveys. Work engagement scores have exhibited a gradual upward trend since fiscal 2024. To further strengthen these improvements, we identified questionnaire items with strong correlation to engagement scores and introduced a new management-focused workshop for supervisors and managers, helping to advance related initiatives.

FY2025 lively workplace rate survey results

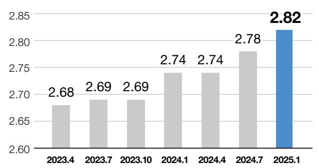


Trend in the lively workplace rate



Q4 FY2025 lively workplace creation questionnaire results

Work engagement indicators and questions
Vigor: Do you feel energized when you're working?
Dedication (pride): Do you feel proud of your work?
4-point scale (4: Yes; 3: More or less; 2: Not really; 1: No)



Health management

JR-West has published the *JR-West Health and Wellbeing Report 2025*, sharing the president's message and the PDCA cycle for health initiatives to communicate the positive impact employee health can have on business outcomes.

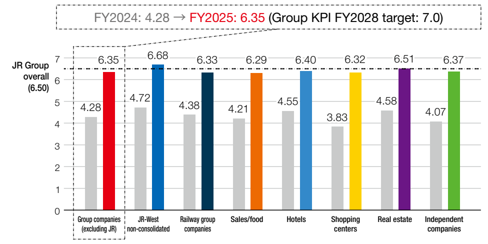
Under the Medium-Term Health Management Plan 2027, we're advancing initiatives to meet our 10 health management goals, including disease prevention and lifestyle improvements.

JR-West Group KPIs

Across the JR-West Group, three items are defined as shared KPIs: (1) sense of fulfillment in work, (2) pride in the JR-West Group and one's own company, and (3) thinking and actions taken with awareness of Our Purpose. In fiscal 2026, most indicators exhibited an upward trend, suggesting that employees' pride in the JR-West Group and their own companies is increasing, and that initiatives to share Our Purpose and each company's vision are beginning to produce results.

FY2025 Group KPI survey results

(3) In my workplace, I'm able to think and act with awareness of Our Purpose and the vision of my company in the course of my work.



Supporting asset building through the employee stock ownership plan

We have an employee stock ownership plan, under which we support employees' medium- to long-term asset building by providing a matching contribution based on the number of units employees contribute.

The participation rate is about 80%, which is significantly higher than that of typical employee stock ownership plans.

In fiscal 2026, we raised the matching contribution rate from a maximum of 8% to a maximum of 15%, promoting asset building and enhancing engagement by encouraging interest in the company's stock price.

Holding period \ Monthly contribution	Less than ¥10,000 (fewer than 10 units)	¥10,000 (10 units) to ¥20,000 (20 units)	¥20,000 (20 units) or more
Less than 3 years	5%	6%	7%
3 years or longer	6%	7%	8%

Holding period \ Monthly contribution	Less than ¥10,000 (fewer than 10 units)	¥10,000 (10 units) to ¥20,000 (20 units)	¥20,000 (20 units) or more
Less than 3 years	10%	11%	12%
3 years or longer	13%	14%	15%

Pleasant work environment

We've introduced a selectable four-day workweek and flextime with no restrictions on start or end times, supporting work-life balance and improved productivity while respecting each employee's lifestyle and values. From 2024 to 2025, we also changed the office layout for JR-West's Head Office. Going forward, we will continue striving to maximize the value of human capital, achieving both employee growth and sustainable corporate development.

Office layout reform for transformation and value creation

Kano: Reflecting our goal of creating a workplace where everyone can thrive in an environment that fosters unity and synergy, we adopted communication as the core concept and developed a layout that goes a step beyond the traditional image of offices. We created a new office based on employees' input while considering organizational characteristics to bring together each individual's aspirations.

We expect that this new environment will enhance both motivation and ease of work, leading to further improvements in work engagement and value creation.

Saito: With the relocation of the Railway Operations Headquarters, many employees participated in shaping the concept of the new office through questionnaires and workshops. Based on this input, we created an open co-creation space that enables the employee qualities we aspire to (embracing of challenges, autonomy, and collaboration) and fosters teams with strong psychological safety.

In addition to this physical redesign, we will continue running the PDCA cycle to further strengthen individual work engagement and appetite for change in order to realize customer-oriented and field-driven railway operations.

Customer Satisfaction Strategy Department
Maiko Kano and Hiroki Saito

Head Office building in Umeda

Shin-Osaka Head Office (Railway Operations Headquarters)

Inogate Osaka (Wester-X Business Division)

Third-party evaluations

We've received high marks for our human resource development mechanisms from a variety of outside organizations.

Kurumin Childcare Support Company (Minister of Health, Labor and Welfare)

New 100 Leading Companies for Diversity Management (Minister of Economy, Trade and Industry)

Gold (highest rating), Pride Index 2024 (5 years running)

Best Workplace (highest rating), D&I Award 2024

KENKO Investment for Health Outstanding Organization 2025 (Ministry of Economy, Trade and Industry)

4-star rating, Smart Work Management category, Nikkei Sustainability Comprehensive Survey

Human resource strategy

Work style reforms and development of DX human resources to realize Our Purpose

We're working to advance the company through cutting-edge digital technologies to help employees find purpose and work creatively. Through the Work Smile Project, we're creating time for thinking and co-creation and enabling field-driven problem-solving. We're also investing in the growth of digitally savvy talent who can drive digital transformation (DX), aiming to be a company where employees themselves lead transformation and value creation.

Work "Smile" Project

In January 2021, we launched the company-wide Work Smile Project, with about 2,200 'evangelists' selected from workplaces across the company driving operational reforms. With themes such as advancing and activating communication, revising decision-making processes, and eliminating normalized waste, we're effectively incorporating Microsoft 365 into workflows to enhance value creation and the employee experience.

We administer regular questionnaires and analyze usage log data to visualize reforms.

- **Employee perceptions of operational reforms: 53%**
- **Hours gained by utilizing digital tools and reviewing operational processes (Head Office): 14.6 hours/person/month**

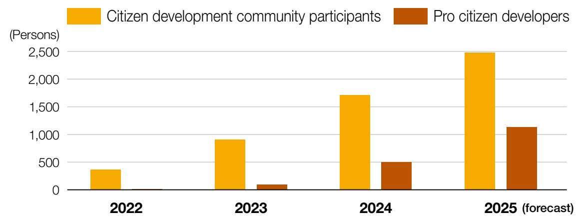
Work Smile Collection (internal event to celebrate employees who have achieved results through evangelist activities and in-house development) (December 2024)

News

A future where all employees routinely engage in citizen development

Since deploying the Microsoft Power Platform in July 2022, we've been promoting citizen development, enabling employees without specialized programming knowledge to take on workflow automation and app development.

A highly active community of more than 2,000 participants and a certification system for advanced citizen developers are helping visualize skills and steadily advance work style reforms.



Time savings generated: 6,700 hours/month

- **Community participants: 2,480**
- **Pro citizen developers: 1,136**

Both figures current as of September 2025

Noteworthy best practices: Development and horizontal roll-out of Mochi-P, a security equipment management app

The Hiroshima Civil Engineering Center has actively encouraged citizen development since its inception. By regularly holding study sessions on apps and automated flows, the Center can maintain the operation of deliverables even when citizen developers transfer to new positions.

One such deliverable, Mochi-P, is an app that digitizes the management of track security equipment previously handled by means of paper ledgers. By converting equipment numbers and other information into QR codes and scanning them at the depot when equipment is checked out or returned, the app streamlines data entry and improves operational efficiency.

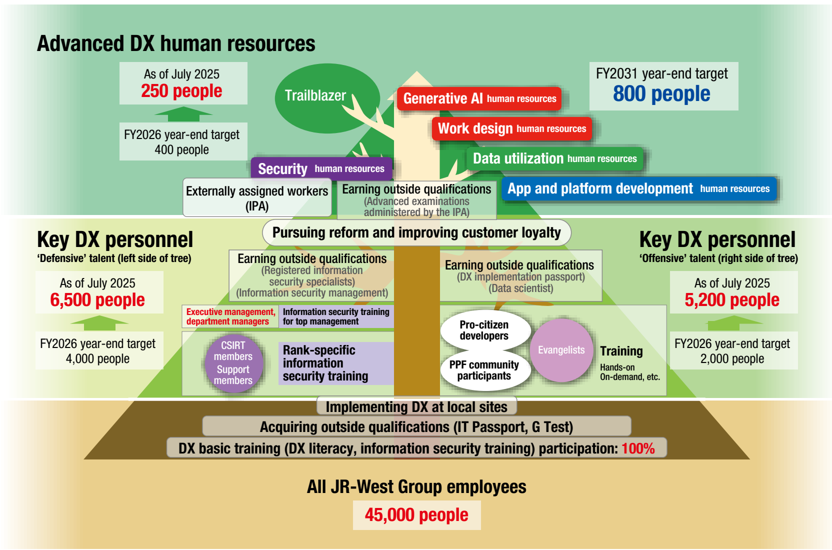
Facilities Division, Chugoku Regional Head Office
Sayuri Ninomiya

Hiroshima Civil Engineering Center, Chugoku Regional Head Office
Keiko Kirita

DX human resources framework

To be a corporate group that can adapt to and create change, we've developed a DX human resources framework and are carrying out various initiatives to cultivate such talent.

We've strengthened DX capabilities across departments by enhancing digital literacy among all Group employees and developing key DX personnel. Beginning in fiscal 2026, we're accelerating recruitment and development to nurture advanced DX human resources who possess both department-specific technical expertise suitable for DX and the ability to formulate DX strategies, enabling high-level digital transformation.



Training DX human resources

To advance the development of DX human resources, we have a training system and provide an environment that supports self-directed learning.

In addition to developer training aimed at improving internal development skills, the fiscal 2026 training curriculum includes programs for senior management and training to develop advanced generative AI specialists. These programs go beyond simply learning to raise skills to a level where they can be applied directly in daily operations, supporting operational reform across departments.

For all employees, we provide voluntary on-demand learning opportunities, have expanded our support system for obtaining qualifications, and beginning in fiscal 2026 have started to grant job allowances to employees who obtain advanced qualifications, thereby offering stronger support for employee effort.

A growing circle of employee-driven learning: Digital transformation at Kyobashi Station

The team at Kyobashi Station is steadily implementing digital transformation, including digitalization of daily operations. This bottom-up effort started with young employees and has since evolved into an initiative led by the DX Promotion Group. The enthusiasm has now spread from younger staff to senior employees, creating a station-wide culture of proactive engagement.

I was not originally interested in IT, but as we implemented DX at the station, I came to understand the importance of information security and earned qualification in information security management.

I hope to continue sharing with Kyobashi Station staff the enjoyment of promoting DX and pursuing self-development.

Kyobashi Station Office
Shiko Nagata

Kyobashi Station Office
Shuichi Toyoda

I believe stations now have an environment where employees can implement DX while performing routine duties. I also earned an information security management qualification, and through my studies I deepened my understanding of information systems, which has encouraged employees to independently pursue digitalization and internal app development.

Our qualification support system helps sustain motivation. I'm already studying for my next qualification.

Securing DX human resources

As DX human resources grow increasingly important, we're actively hiring mid-career professionals with advanced experience who can contribute immediately. By enhancing recruitment website content, promoting referral hiring, and securing talent in collaboration with Trailblazer Inc., which was established in 2023 to advance digital strategy, we've built a structure to secure DX human resources and ensure the rapid execution of digital initiatives.

In addition, we've created an onboarding environment that enables mid-career hires to begin contributing immediately, maximizing their performance.

Human resource strategy

Generative AI and the future of our business

We're adopting generative AI company-wide to build a railway business that continuously incorporates cutting-edge technologies and flexibly adapts to social change. Beyond improving efficiency and creating new value, a key focus is talent development: sharing and passing down frontline experience and expertise across the organization.

Progress on generative AI KPIs

We've established KPIs with the goal of creating an environment where, within one year, employees use generative AI naturally and feel the progress of AI-driven operational reforms.

In fiscal 2026, a year in which we're focusing on cultivation of creators, we're prioritizing the development of advanced generative AI-savvy personnel. Departments are launching AI-driven reform projects aimed at generating results such as cost reduction, revenue growth, and new value creation.

We're also developing an AI agent for executive leadership, enabling executives themselves to formulate reform strategies for their divisions and actively use generative AI.

Item	As of September 30, 2025	FY2026 year-end KPI
Number of advanced generative AI-savvy personnel	2	30
Number of reform projects executed	8	30
Executive AI monthly utilization rate	91%	70%
Generative AI chatbot monthly utilization rate	49%	70%

Work Smile AI-Partner (AIP) general-purpose generative AI chatbot

The general-purpose generative AI chatbot introduced to all employees last fiscal year is now used in daily operations by more than 4,000 employees. We estimate that AIP contributes more than 10,000 hours of monthly efficiency gains across the organization.

Through workplace education for all employees, we're raising basic knowledge and literacy in generative AI, while the Head Office conducts study sessions to develop practical skills. Additionally, we reinforce both the technical and organizational infrastructure for AI utilization by providing monthly updates to enhance functionality.

Improvements to the general-purpose generative AI chatbot

Since joining JR-West in fiscal 2024, I've led improvements to AIP. AIP's greatest strength is its agile development framework, which allows the system to quickly respond to user requests. We consistently incorporate user-submitted issues and ideas into monthly updates. Because generative AI is an emerging technology, we work closely with partner companies, particularly group company J-WITS, to share the latest information and expertise while staying current with technical developments.

We will continue strengthening functionality and convenience while maintaining security, ensuring an environment where all employees can safely use generative AI and contributing to the company's digital transformation.

System Management Division
Tsukasa Inagaki

Improving on-site capabilities through AIP-based training for train crews

In the Kanazawa Shinkansen Train District, AIP has been introduced into numerous tasks such as preparing operational documents and performing analyses with the goals of improving quality and enhancing efficiency. For crew training materials, instructors previously had to create PowerPoint slides and write explanations by themselves. After adopting AIP, they can now efficiently generate clear explanations tailored to training time requirements. By converting training materials into videos using automated voice narration, we've reduced instructor workload and standardized content.

Shinkansen Transport Division (formerly Kanazawa Shinkansen Train District)
Kentaro Ikeda

Cultivating human resources skilled in advanced generative AI

We conducted a three-part, five-day training program aimed at cultivating talent capable of leveraging generative AI to streamline business processes and achieve operational reform.

The first session consisted of lectures on the basics of digital transformation and generative AI, as well as hands-on tasks and solutions development to get the trainees themselves thinking of how generative AI can be applied in their own departments. The second session focused on developing generative AI tools, primarily using Microsoft Copilot Studio.

Trainee use case example

The Transport Safety Department has trialed a dashboard, which was created using generative AI to share real-time information about train operations during extraordinary or emergency situations, such as disasters.

Normally, multiple people have to manually compile this information, which is collected in Teams. However, we set out to test whether AI can be used to create a system that organizes needed information, creates a dashboard, and then keeps it automatically updated. From this trial, we were able to confirm that such a system can indeed be created, thus enabling a single person to handle real-time information-sharing duties.

I feel that this initiative was made possible, in large part, thanks to the advanced generative AI-related knowledge provided through the training we received, a positive workplace culture that encourages employees to take on challenges, and the efforts being made to improve employees' sense of psychological safety in their workplaces.

Transport Safety Department
Shusuke Hagino

Workshops

Workshops were held in 2023 and 2024 to identify areas, and the specific operational tasks within them, where generative AI technology could be applied. Altogether, 105 people from 35 departments and offices participated, and they came up with a total of 67 diverse use cases tailored to different business challenges. Some of these have now been put into actual practice, such as in scrutinizing Group Management Committee meeting materials and creating meeting minutes, and have helped to cut down on work hours.

AI Festival 2025

Participants provided top management and department heads with a report on the future direction for generative AI-driven problem solving, which they created during training.

News

Towards greater incorporation of generative AI

Management support agent

We have developed and deployed an in-house management support agent, which will help management make use of the latest technology in its drive to transform business. This AI agent helps management by functioning as a strategist and secretary, performing such tasks as gathering information from inside and outside JR-West and advising on business strategies. By improving the speed of information gathering, the aim is to accelerate and improve the quality of decision-making.

Personnel who are highly skilled with generative AI help management to make effective use of it by providing them with instruction in operational methods, as well as by answering any questions they may have.

The results show that the speed of information gathering has improved by 30% which, in turn, improves the factual foundation and quality of discussion upon which management decisions are made.

Mitococa × VLM

We are developing an evolutionary image analysis solution that combines our Mitococa image analysis AI, which we developed in-house, with the vision language model (VLM) generative AI technology.

By combining Mitococa's ability to detect people and objects with a high degree of accuracy with VLM's ability to flexibly perform contextual analysis through integrated processing of images and language information, an AI system can be produced that is able to make sense of complex situations. We are also developing an intuitive UI, along with automatic notification functions, which we expect will improve work efficiency and safety. Even beyond the railway industry, we are actively looking for ways to apply this technology to a wide range of fields, such as using it to perform attribute estimation of store customers. We will keep working to develop and deploy this technology for the betterment of society.

Corporate governance

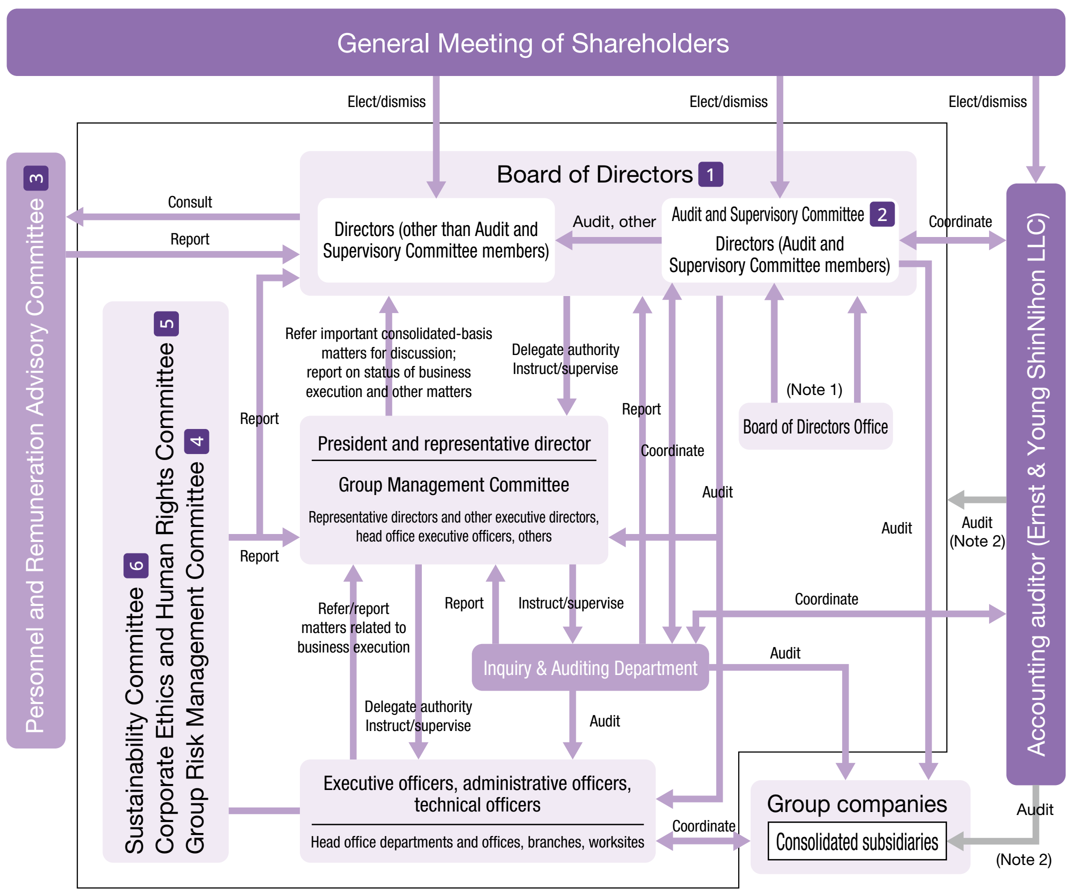
JR-West Group's approach to corporate governance

The JR-West Group has been making continuous efforts to contribute to the creation of a safe and prosperous society. With safety as its foundation, the Group provides infrastructure services, having points of contact with many customers and ties with local communities. The Group believes that it can play a role in creating future society by addressing social issues and evolving connections. The Group will create social and economic value through its business activities in line with Our Purpose for this vision.

Based on Our Purpose, corporate philosophy, and safety charter, JR-West will continue to make constant efforts to improve railway safety, fulfill its corporate social responsibility, and strive for sustained development.

In order to realize these objectives, JR-West will execute business operations from a medium- to long-term perspective in keeping with the intent of the corporate governance code and the characteristics of its businesses, and it will strive to establish long-term trusting relationship with each of its stakeholders, including shareholders. Furthermore, from the perspective of improving transparency, soundness, and efficiency of business operations, JR-West, aiming for the enhancement of corporate governance, will make efforts to improve the systems to ensure the following: establishment of corporate ethics, strengthening of functions to monitor and supervise corporate management, and facilitating prompt decision-making and flexible execution of operations.

Corporate governance structure of JR-West



Note 1: JR-West has established the Board of Directors Office to support the duties of the Board of Directors and the Audit and Supervisory Committee. Full-time support staff have been put in place who are ensured independence from executive directors and others.

Note 2: ▭ denotes audit scope of the accounting auditor.

1 Board of Directors

In order to ensure prompt decision-making and flexible business execution, the Board of Directors delegates a large amount of decision-making authority to the executive directors and focuses on discussions and deliberations regarding various issues related to improving corporate value over the medium to long term, such as key business strategies, the direction of the business portfolio, and opportunities and risks related to sustainability, while also making timely and appropriate decisions as necessary.

Furthermore, we have formulated a basic policy for internal control systems, as stipulated in the Companies Act, and internal control regulations which, based on the basic policy, clarify and systematize the responsibilities of each director and the system of responsibility for specific initiatives. The Board of Directors annually monitors the implementation status of each item listed in the basic policy, thereby enhancing the effectiveness of our internal control system.

In addition, in order to further strengthen the monitoring function of the Board of Directors, timely and appropriate reports on the status of individual business operations, including matters related to safety and corporate ethics, are received.

▶ For an overview of the discussions at fiscal 2025 Board of Directors meetings and the opinions of the outside directors, see page 97.
▶ For information on the evaluation of the effectiveness of the Board of Directors and efforts to improve it, see page 99.

2 Audit and Supervisory Committee

The Audit and Supervisory Committee formulates audit policies and plans, and, based on these, members attend important meetings, such as the Board of Directors meetings, receive reports from directors (excluding directors who are Audit and Supervisory Committee members) and employees on the status of their performance of duties and the establishment and operation of internal control systems, and request explanations as necessary, thereby auditing the performance of directors' duties and providing necessary advice and recommendations.

Members also work in cooperation with the accounting auditor, internal audit department, and other parties by regularly exchanging information.

In fiscal 2025, the audit focused on the following key items: the dissemination and progress of Our Purpose, Long-Term Vision 2032, and updated Medium-Term Management Plan 2025; safety improvement; initiatives to secure and develop necessary human resources, and enable employees to thrive; and specific systems for ensuring compliance at each level and the operational status of these systems.

▶ For the special roundtable discussion by the Audit and Supervisory Committee members, see page 101.

3 Personnel and Remuneration Advisory Committee

JR-West has established a Personnel and Remuneration Advisory Committee tasked with improving objectivity, fairness, and reliability with regard to matters such as the remuneration and personnel affairs of officers and others.

This committee, which comprises at least five directors, the majority of whom are independent outside directors and the committee chair is also an independent outside director, deliberates on officer remuneration and personnel matters from a fair and objective standpoint and makes recommendations to the Board of Directors. Specific matters deliberated by this committee include Board of Directors' composition and diversity, expected skills of directors and officers, and policies and criteria for selection, dismissal, and remuneration of directors and officers.

We are also currently discussing ways to improve our succession plan.

▶ For information on officer remuneration, see page 98.

4 Group Risk Management Committee

We have established a Group Risk Management Committee with the aim of promoting sound Group management. We operate a risk management system that enables centralized management of significant risks in the operations of JR-West and its group companies.

The committee is chaired by the president and comprises executive directors, risk managers who report and manage significant risks, full-time Audit and Supervisory Committee members, the head of the Inquiry & Auditing Department, and outside experts such as university professors. In principle, the committee meets twice a year to discuss and evaluate the management status of significant risks and responses to risks within the Group that require particular attention.

▶ For details on Group risk management initiatives, see page 106.

5 Corporate Ethics and Human Rights Committee

We have established a Corporate Ethics and Human Rights Committee with the aim of preventing serious misconduct within the Group and building a self-cleansing corporate culture in which signs of misconduct are detected and addressed early.

The committee is chaired by the president and comprises executive directors, heads of departments that are particularly important for promoting compliance within the Group, full-time Audit and Supervisory Committee members, the head of the Inquiry & Auditing Department, and outside experts such as lawyers. In principle, the committee meets twice a year to discuss and evaluate important issues related to compliance with laws and regulations and human rights.

▶ For information on corporate ethics and human rights, see page 109.

6 Sustainability Committee

We have established a Sustainability Committee for deliberating sustainability-related risks, opportunities, and initiatives.

The committee is chaired by the president and comprises executive directors in charge of Head Office departments and heads of departments in charge of sustainability initiatives and information disclosure. In principle, the committee meets twice a year to identify and monitor material issues related to sustainability management and to consider information disclosure.

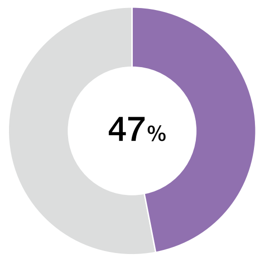
▶ For details on our sustainability promotion system, see page 20.

Corporate governance

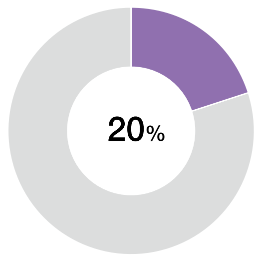
Board of Directors

	Name	Position in the company	Major concurrent posts, other	Number of years as board member	Attendance at board meetings (FY2025)	Attendance at Audit and Supervisory Committee meetings (FY2025)	Attendance at Personnel and Remuneration Advisory Committee meetings (FY2025)
1	Kazuaki Hasegawa	Chairman of the board and representative director (chairman of the Board of Directors)	—	13 years	15/15 meetings	—	10/10 meetings
2	Haruko Nozaki	Independent outside director	Former junior corporate officer of Horiba, Ltd. Executive vice president of Kyoto University Outside director of Sekisui Chemical Co., Ltd.	5 years	15/15 meetings	—	10/10 meetings
3	Kenji Iino	Independent outside director	Former managing director and executive managing officer of Mitsui Fudosan Co., Ltd. Executive director of Nippon Building Fund Inc.	3 years	15/15 meetings	—	—
4	Yoshiyuki Miyabe	Independent outside director	Former director, executive vice president, and representative in Tokyo of Panasonic Holdings Corporation	3 years	15/15 meetings	—	7/7 meetings
5	Yutaka Kanai	Independent outside director	Chairman of the board of Hokuriku Electric Power Company	Appointed in June 2025	—	—	—
6	Shoji Kurasaka	President and representative director	—	7 years	15/15 meetings	—	10/10 meetings
7	Koichi Haruna	Vice president, representative director, and executive officer	—	1 year	11/11 meetings	—	—
8	Akira Inoue	Vice president, representative director, and executive officer	—	1 year	11/11 meetings	—	—
9	Hideo Okuda	Director and senior managing executive officer	—	3 years	15/15 meetings	—	—
10	Yasuo Umetani	Director and senior managing executive officer	—	Appointed in June 2025	—	—	—
11	Takeshi Urushihara	Director and senior executive officer	—	1 year	11/11 meetings	—	—
12	Maki Ogura	Independent outside director, full-time Audit and Supervisory Committee member, and chairman of the Audit and Supervisory Committee	Former lawyer and judge	5 years (including 2-year tenure as auditor)	15/15 meetings	15/15 meetings	—
13	Makiko Tada	Director and full-time Audit and Supervisory Committee member	—	2 years	15/15 meetings	15/15 meetings	—
14	Emiko Hazama	Independent outside director and Audit and Supervisory Committee member	Former deputy mayor, Sakai City Professor at the Department of Public Affairs, Osaka University of Commerce	5 years (including 2-year tenure as auditor)	15/15 meetings	15/15 meetings	—
15	Kenryo Goto	Independent outside director and Audit and Supervisory Committee member	Former Osaka Office managing partner and senior executive board member of KPMG AZSA LLC Certified public accountant, Kenryo Goto Certified Public Accountant Office Outside director (Audit and Supervisory Committee member) of Towa Pharmaceutical Co., Ltd.	3 years	15/15 meetings	15/15 meetings	—

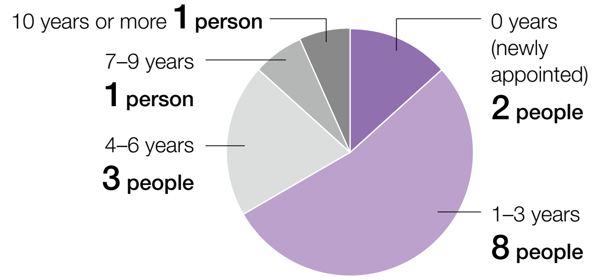
■ Percentage of independent outside directors among directors
7 out of 15



■ Percentage of women among directors
3 out of 15



■ Proportion of the number of years as director



Note: Includes tenure as auditor.

Knowledge, experience, abilities, and other strengths of directors (skills matrix)

We have clarified seven skills (knowledge, experience, abilities, etc.) that are currently considered important for the Board of Directors to possess to carry out timely and appropriate decision-making, along with highly effective monitoring and supervision, in order to realize the five key strategies of the Medium-Term Management Plan 2025, which are to improve safety of railways, revitalize and restructure core businesses (railway business, group businesses), further evolve real estate and city development, develop diverse services via digital strategy, and create new businesses. These skills are 1) corporate management, 2) governance, 3) safety and quality, 4) customer satisfaction and marketing, 5) innovation and global environment, 6) community and city development, and 7) coexistence with local communities. With regard to ESG-related skills, we believe that these seven skills encompass their essential elements and that the entire skill set should be represented by the Board of Directors as a whole.

The table below lists the seven aforementioned skills that each director currently possesses and is expected to demonstrate in particular. For the reasons for the appointment of directors (excluding directors who are Audit and Supervisory Committee members), please refer to pages 6–11 of the “Proposals and Business Report for the 38th Ordinary General Meeting of Shareholders.” For the reasons for the appointment of directors who are Audit and Supervisory Committee members, please refer to pages 17–19 of the “Notice of the 37th Ordinary General Meeting of Shareholders.”

■ Table of skills currently represented by, and particularly expected of, directors (skills matrix)

	Name	Skills particularly expected to be displayed (major components stated in lower column)						
		Corporate management Business strategy Organization development Financial strategy	Governance Legal affairs/risk management Diversity Human rights Human resources cultivation	Safety Quality Safety-related technology/management Quality control	Customer satisfaction Marketing Creation of customer value Expansion into new business areas Brand value	Innovation Global environment DX/advanced technology Productivity improvement Decarbonization Energy savings	Community/city development Real estate development Enhancing convenience of railway networks Improving appeal of communities/cities	Coexistence with local communities Tourism/industrial development Local culture development Sustainable transportation systems
1	Kazuaki Hasegawa	●	●				●	
2	Haruko Nozaki		●					●
3	Kenji Iino	●			●		●	
4	Yoshiyuki Miyabe	●		●		●		
5	Yutaka Kanai	●		●		●		
6	Shoji Kurasaka	●	●	●				
7	Koichi Haruna	●					●	●
8	Akira Inoue	●		●				
9	Hideo Okuda	●			●	●		
10	Yasuo Umetani	●	●		●			
11	Takeshi Urushihara			●				●
12	Maki Ogura		●					●
13	Makiko Tada			●	●			●
14	Emiko Hazama		●				●	●
15	Kenryo Goto	●	●					

Note 1: Of skills possessed by each individual, up to three skills that are particularly expected to be displayed in light of the composition of the Board of Directors have the mark “●”
Note 2: The above table is not an exhaustive list of all the knowledge, experience, ability, etc., the individuals possess.

Corporate governance

Overview of the discussions at fiscal 2025 Board of Directors meetings and the opinions of the outside directors

Theme	Outside directors' opinions (summary)
Improve safety	● Safety-related education should be enhanced not only about processes and procedures but also on their purpose and significance. ● It's important to take steps to improve safety, taking into account the characteristics of mid-career hires and younger generations of employees.
Revitalize and restructure core businesses	● Considering Japan's future, JR-West should further pursue commonality with other companies, such as in terms of railway business infrastructure, in order to make efficient investments. ● JR-West should analyze customer feedback, identify the essential issues, and then implement measures to address them. ● Investigation of feasible applied development should be accelerated based on foreseeable technological advances. ● Following the end of Expo 2025, it is important to ensure the results achieved from the Expo are more broadly applied, and further efforts to contribute to this should be made.
Real estate and city development	● The social value that JR-West aims to create through its business should be considered from the perspectives of environmental issues and the SDGs. ● I hope to see long-term urban development pursued through the building of cooperative relationships with the government, businesses, and others. ● Taking into consideration medium- to long-term trends, a plan to increase value after development should be considered. ● Value creation and dissemination should be carried out on a wide scale.
Digital strategy	● New services should be launched only after safety has been confirmed. ● From the perspective of clarity, JR-West should seek to optimize and integrate its own services.
Financial strategy and shareholder returns	● JR-West should provide more detailed explanations to investors regarding the synergies between its businesses and the background to fare regulations. ● JR-West should explain to investors that the measures planned through the public offering have been largely completed and that EPS has returned to pre-pandemic levels.
Human resources strategy	● Developing talent capable of becoming top management is an important issue that will determine the future of JR-West. It's necessary to develop the next generation of management talent that is uniquely JR-West by passing on non-verbal skills and corporate culture. ● Regarding mid-career hiring, I hope to see mechanisms put in place to facilitate communication of JR-West's philosophy to people before they are hired, and, after they are hired, connection with careers, evaluations, and the company's unique values and corporate culture, in order to further improve retention rates.
Governance	● Stronger compliance should be ensured when expanding overseas. ● Officers of group companies should be appointed based on their suitability in terms of both business execution and compliance/governance. ● If there is a long time between the occurrence of an incident and reporting it, the situation may worsen; thus, JR-West should take an approach that allows people to seek advice without hesitation. ● In the real estate business, which is easily affected by external factors such as interest rate trends, appropriate governance should be in place when pursuing this business.

Officer remuneration (overview of the remuneration system for directors)

In order to establish a remuneration system that functions sufficiently as an incentive to achieve sustained improvement in corporate value and that also takes into account the JR-West Group Medium-Term Management Plan 2022, we consulted with the Personnel and Remuneration Advisory Committee regarding decision-making policy on individual director remuneration and other matters (hereinafter, "decision-making policy"). Respecting the Committee's recommendations, we made a resolution at the Board of Directors meeting held on February 24, 2021.

With regard to this decision-making policy, coinciding with the start of the JR-West Group Medium-Term Management Plan 2025, a resolution was passed at the Board of Directors meeting held on April 28, 2023 to revise the policy so that it appropriately links business performance with remuneration of individual directors in order to better incentivize directors to improve performance leading, in turn, to medium- to long-term improvement in corporate value. This revised decision-making policy applies to remuneration from July 2023 onwards.

Remuneration for JR-West directors (excluding outside directors and directors who are Audit and Supervisory Committee members) consists of fixed, basic remuneration; short-term incentive performance-evaluation remuneration; and share-based remuneration, which incentivizes pursuing shared value with shareholders over the long term and increasing corporate value over the medium to long term. Basic remuneration is paid monthly, while performance-evaluation remuneration and share-based remuneration is paid at a fixed time each year. Remuneration for directors who are Audit and Supervisory Committee members and for outside directors consists of basic remuneration only.

Regarding the amount of basic remuneration, JR-West prepares a remuneration table organized according to management responsibilities, taking into account remuneration levels at other companies, as investigated by specialist external organizations, to ensure an appropriate level of remuneration.

Performance-evaluation remuneration is a cash remuneration amount reflective of performance indicators for the business year, with these being divided between company performance and individual performance. The ratio of company performance to individual performance is 7:3, assuming all performance indicator targets are achieved. However, only the company performance portion is applied to corporate officers like the president and representative director.

Both company performance and individual performance will be evaluated quantitatively and qualitatively based on the achievement status of each indicator set at the beginning of the previous fiscal year.

Performance indicators for company performance are financial indicators and non-financial indicators. Regarding financial indicators, consolidated income, asset efficiency, and the ratio of life design field to consolidated income are the three performance indicators used. For non-financial indicators, they are railway safety, global environment, and work engagement.

The performance indicators for individual performance are the main KPIs of the departments each director is responsible for. The individual performance portion will vary from 0% to 200% depending on indicator achievement status and qualitative evaluation.

For share-based remuneration, restricted stock is issued at a base amount that corresponds to the recipient's management responsibilities. If an individual eligible for stock compensation violates laws or regulations, or if any other specific circumstances stipulated in the restricted stock allocation agreement apply to him or her, JR-West will, upon a resolution of the Board of Directors, acquire all of the allocated shares free of charge. (Malus and clawback provisions)

Remuneration for directors (excluding outside directors and directors who are Audit and Supervisory Committee members), when all performance indicator targets established at the outset of the previous fiscal year have been met, consists of basic remuneration, performance-evaluation remuneration, and share-based remuneration in a ratio of 6:3:1 (see the table below).

The amount of remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee) will be determined at the discretion of the president and representative director, based on the above policy and by a resolution of the Board of Directors.

In order to ensure fairness and reliability in remuneration decisions, specific decisions will be made based on the recommendations of the Personnel and Remuneration Advisory Committee and will be subject to deliberation by a Personnel Committee comprised of multiple representative directors, the director in charge of personnel, and others.

Remuneration for directors who are Audit and Supervisory Committee members will be determined through discussion among the directors who are Audit and Supervisory Committee members and shall be within the range of remuneration resolved at the General Meeting of Shareholders.

Type of remuneration	Payment criteria				Payment method	Remuneration structure*2
Basic remuneration	A remuneration table shall be created, which corresponds to management-related responsibilities, and payment shall be made after ensuring it is of an appropriate level				Payment in cash on a monthly basis	60%
Performance evaluation remuneration*1	Company performance	Financial indicators	Consolidated income	70%	Payment in cash on a fixed date	30%
			Asset efficiency			
			Ratio of life design field to consolidated income			
		Non-financial indicators	Railway safety			
			Global environment			
			Work engagement			
	Individual performance	Main KPIs of the departments each director is responsible for		30%		
Share-based remuneration	Payment of a base amount corresponding to management-related responsibilities				Payment of monetary claims on a fixed date, and delivery of restricted stock compensation in exchange for payment	10%

*1 Only the company performance portion will be applied to corporate officers like the president and representative director.
*2 Assuming all performance indicators achieve the targets set at the beginning of the previous business year.

Corporate governance

Evaluation of the Board of Directors' effectiveness and efforts to improve its effectiveness

The fiscal 2024 evaluation of the effectiveness of the Board of Directors confirmed that the effectiveness of the Board of Directors has been maintained and improved, based on the implementation status of initiatives to strengthen monitoring and oversight functions and further enhance communication between outside directors and the Audit and Supervisory Committee, with active discussions on strategies to improve medium- to long-term corporate value, and the content and quality of discussions having improved.

On the other hand, wide-ranging challenges to improve effectiveness of the Board of Directors for the future were raised, mainly by outside directors, such as the following: the need to further deepen discussions related to challenges aimed at value creation; the need to further devise approaches to facilitate discussions that prioritize the challenges and processes of monitoring; and the need to continuously discuss the skills that the Board of Directors needs to be equipped with and to make efforts to acquire further insight.

Based on these results, the Board of Directors meetings in fiscal 2025 focused on deepening discussions on value creation and medium- to long-term issues, further improving monitoring methods to ensure discussions focus on issues and processes, and improving the Board's knowledge in responding to changes in the environment.

In fiscal 2025 as well, the Board of Directors' effectiveness was evaluated as follows to assess whether the required roles and responsibilities are being appropriately fulfilled and to seek improvements.

Overview of the fiscal 2025 Board of Directors effectiveness evaluation

- Questionnaire given to the Board of Directors: December 2024 to January 2025
- Discussions by the Board of Directors: January 2025
- Evaluation results reported to the Board of Directors: February 2025

Evaluation results of the effectiveness of the Board of Directors in fiscal 2025

As a result of the questionnaire and discussions, it was confirmed that the effectiveness of the Board of Directors has been maintained and improved, based on the content and quality of discussions aimed at promoting value creation and growth strategies, the improvement of monitoring functions through focused discussions, and the appropriateness of the composition and skills matrix of the Board of Directors, including an improvement in knowledge for responding to environmental changes.

On the other hand, a wide range of issues were raised regarding how to improve the effectiveness of the Board of Directors in the future, including the need for deeper discussions on improving safety and creating value, the need to improve the accuracy of monitoring, including at major group companies, and, to that end, the need to improve the operation of the Board of Directors to make it more efficient and effective.

Challenges for the Board of Directors to address during fiscal 2026

We have determined that the Board of Directors is functioning effectively. However, we will continue to carry out the following initiatives towards further improving the effectiveness of the Board of Directors and strengthening corporate governance.

1. On further improving the content and quality of discussions by the Board of Directors
   By making good use of the matters for discussion stipulated in the regulations of the Board of Directors, we will further deepen discussions that will contribute to improving corporate value, such as improving safety, which is the foundation of the JR-West Group, and the value we provide to stakeholders in urban development.
2. On further improving monitoring and supervision functions
   We will further improve the accuracy of monitoring, including by having the managers in charge of business execution at major group companies report on the status of business execution.
3. Further improvement of the operation of the Board of Directors
   In order to stimulate discussions at Board of Directors meetings, we will strive to make meeting management more efficient and effective.
4. We have been working on the following items for some time, and will continue to work on them, to improve the effectiveness of the Board of Directors.
   (1) Establishment of a system to distribute information
   To ensure the strengthening of monitoring and supervision functions of the Board of Directors, JR-West has established and maintains a system for giving information to outside directors.
   To be more specific, JR-West provides outside directors with preliminary explanations regarding points of discussion, previous internal discussions, and other topics with regard to propositions for the meetings of the Board of Directors in order to facilitate substantial and effective discussions at Board of Directors meetings. The company also provides them with opportunities, other than the Board of Directors meetings, to give explanations on important business challenges and other topics and arranges site inspections as a means of giving information on current business conditions and background information on measures.
   Furthermore, necessary additional explanations on the matters pointed out and questions raised at the Board of Directors meeting are given at a Board of Directors meeting to be held immediately following the relevant meeting and other occasions.
   (2) Enhancement of discussions through the establishment of matters for consultation
   In addition to matters to be resolved and matters to be reported, JR-West establishes in the regulations of the Board of Directors matters for consultation where the medium- to long-term management policy, strategies, and important business challenges are discussed, and the Board of Directors conducts continuous and substantial discussions from a medium- to long-term viewpoint.
   (3) Sharing of the content of discussions at meetings of the Board of Directors
   The content of discussions and matters pointed out at meetings of the Board of Directors are fed back to and shared at the Group Management Committee, which is also attended by executive officers and others, and utilized in the drafting and implementation of measures and other purposes.

Effectiveness evaluation of the Audit and Supervisory Committee

The effectiveness of the Audit and Supervisory Committee was discussed, and it was confirmed that sufficient cooperation is being achieved through the sharing of issues with the internal audit department.

In order to improve Group governance, the committee is working to provide support to the auditors of group companies, as well as to improve the teamwork of the Group's auditors as a whole.

■ Offsite meetings

Month held / Participating divisions	
2024 August Work Style Reform Project Team	2025 May Transport Safety Department August Innovation Department

■ On-site inspections and other visits

Month held / Sites visited
2024 September Inogate Osaka November Forest Festival of the Arts Okayama: Clear-Skies Country

Forest Festival of the Arts Okayama: Clear-Skies Country

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Expectations and challenges for corporate governance and growth of the JR-West Group as seen by Audit and Supervisory Committee members

In 2022, in the midst of the COVID-19 pandemic, as part of our management reform, we transitioned to a company with an audit and supervisory committee in order to facilitate swift decision-making and stronger corporate governance.

The Audit and Supervisory Committee members have a wide range of roles, including auditing the performance of duties by directors and participating in deliberations and resolutions at board meetings as directors.

On this occasion, at Wester-X Base, a new office serving as the base for the JR-West Group's digital strategy, four directors who serve as Audit and Supervisory Committee members—Maki Ogura, Makiko Tada, Emiko Hazama, and Kenryo Goto—held a wide-ranging discussion on the current situation and challenges of the Board of Directors and Audit and Supervisory Committee, as well as on the future outlook for the JR-West Group.

Getting started: Self-introductions

Hazama (moderator): This is the first time that JR-West's integrated report has featured a roundtable discussion of directors who specialize in audits. I hope to have a frank discussion on the Group's corporate governance and future challenges from the perspective of members of the Audit and Supervisory Committee. First, I'd like to ask Mr. Ogura, who is the chairman of the Audit and Supervisory Committee, to introduce himself.

Ogura: I serve as an independent, outside, full-time Audit and Supervisory Committee member. I worked for the Japanese National Railways for five years before joining JR-West in April 1987 and then leaving in February 1988. After leaving JR-West, I worked as a lawyer while holding a position in the Ministry of Justice, after which I served as a judge from 2007 to 2020. Following this long legal background, I was appointed as an auditor of JR-West in 2020 and as an Audit and Supervisory Committee member in 2022.

Hazama: Thank you. Mr. Goto, you took office around the same time that JR-West transitioned to a company with an audit and supervisory committee, didn't you?

Goto: I worked for about 40 years as a certified public accountant at an auditing firm, where I was engaged in accounting audits. There were things I enjoyed and things that were painful. I learned a lot but also encountered a lot of things that infuriated me. The experiences that have stuck with me most are those where things did not go well. For example, there was a company that had decided to invest hundreds of billions of yen but ran out of funds and ended up being acquired. This made me realize the difficulties and limitations of working as a certified public accountant. I want to draw from these experiences to help JR-West achieve balanced management while remaining financially sound.

Hazama: Ms. Tada, would you like to go next?

Tada: I joined JR-West in 1989, so this year marks my 37th year here. I was hired to work on railway construction technology, and, after the Great Hanshin-Awaji Earthquake, I became involved in launching various internet-based services. Following that, I worked in the Customer Satisfaction Department and served as branch manager for three years. From there, I returned to the Head Office and served as general manager of the Regional Revitalization Division before becoming an Audit and Supervisory Committee member. This is my third year in this role. I have been with JR-West for a long time, so I would like to leverage that strength in sharing information with a variety of people.

Hazama: I worked for a private company for nearly 30 years. After that, I worked in the government for about eight years, and now I'm at a university. Even though I've changed affiliations, I've consistently been involved in urban development and public policy, focusing on how to help enrich people's lives. Although JR-West is a private company, I want to contribute by reflecting the significance of our existence to society through addressing social issues while creating economic value.

Changes and results of management reform, impressions of the Board of Directors

Hazama: Next, I'd like to ask Mr. Ogura to talk about the changes and results of the management reforms, as well as his impressions of the Board of Directors.

Ogura: JR-West's transition in 2022 to a company with an audit and supervisory committee has resulted in a significant delegation of decision-making authority regarding business execution from the Board of Directors to individual executive directors. Individual decision-making at board meetings has thus become more limited, allowing the Board to focus more on discussions about medium- to long-term business challenges. This is where the management reform has produced change, both institutionally and in the content of discussions, and I feel that the company's outside directors are speaking up more actively.

JR-West has also shifted from a management model that places emphasis on decision-making to a monitoring model that shifts the focus to oversight and supervisory functions. As a director and as an Audit and Supervisory Committee member, it has become more important to understand the status of business execution, and the Audit and Supervisory Committee, with its two full-time members, is now focusing more on gathering information. Even more than when I was an auditor, I believe it is important to ascertain information and avoid being reactive.

Goto: Regarding my impression of the Board of Directors, I had previously considered JR-West to be conservative in nature, due to the industry it is in. Also, I took office during the pandemic, when the company was in a difficult financial situation, but my impression of the employees was that they

were young and very active.

There are a few things about the Board of Directors I'd like to talk about. JR-West has established matters for consultation alongside matters for resolution and matters to be reported. For example, with regard to the medium-term management plan, opinions cannot be expressed until the contents have been solidified; thus, we have a system in place that allows for discussions in several sessions starting from the stage prior to the plan being decided. In addition, although this is outside of the Board of Directors meetings, there are also off-site meetings held between the executive side and the outside directors. In one vision-related meeting, we engaged in opinion exchange at a stage prior to decisions being made about revision of the company's direction.

Many resolved issues take several years to produce results, so it can be easy to move on to the next matter once a resolution has been passed, but JR-West regularly monitors issue resolution progress. Furthermore, full-time Audit and Supervisory Committee members attend important executive meetings, and information, including notes taken at those meetings, is shared with the members. This is useful when attending Board of Directors and Audit and Supervisory Committee meetings. These all show a proactive and sincere response.

Hazama: As an outside director, I appreciate the fact that there are forums where, from the consideration stage, we can discuss issues and points of contention that need to be overcome through matters for consultation and off-site meetings, rather than simply being presented with, and receiving explanations of, conclusions and results. As someone who has observed JR-West for quite a long time from the inside, what do you think, Ms. Tada?

Tada: I have been attending Board of Directors meetings regularly since I became an Audit and Supervisory Committee member. In the past, there were many resolutions, but now there is a considerable amount of time set aside to discuss business challenges and other matters. As a result, the board meetings are characterized by free and frank discussion, with each director, including the outside directors, asking questions about things they have noticed. Given this, I feel that board meetings are not pre-established and are functioning satisfactorily.

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Governance issues and our role as Audit and Supervisory Committee members

Hazama: You've pointed out positive aspects, such as of JR-West's Board of Directors, but what do you think about governance issues, including the structure of the Board, its effectiveness, and the role we play in these areas?
Ogura: Board meetings tend to have an "outside versus inside" structure. Of course, this is unavoidable, as most matters that are brought up as proposals at board meetings are those that have been thoroughly discussed by the executive team. However, I think that having inside directors also take part in discussions outside the scope of their responsibilities, or what could be called "healthy airspace incursions," would help further stimulate these meetings.
Goto: What Mr. Ogura said may be particularly applicable to the matters for consultation that involve discussion of medium- to long-term business challenges.
Tada: I think "healthy airspace incursions" is an easy-to-understand analogy. It would be good to have more discussions that go beyond departmental boundaries. Executives have their own responsibilities and scope of authority, so it may be difficult for them to intervene in matters outside of that. However, as someone who comes from JR-West, I think there are many things that can be done, regardless of your own work responsibilities, such as asking questions about things that were overlooked in the executive discussions, or conversely, sharing information. This is also a challenge for me personally.
Hazama: After serving as an auditor, I became an Audit and Supervisory Committee member. What I realized anew was that, in addition to stronger collaboration with the internal audit department, the amount of information provided by the executive side has increased, such as explanations from finance and human resources departments. After all, you can't make the right decisions without information, so it's great to have information from internal audits and other inside matters shared with you. It's also important to visit workplaces and group companies for audits and to meet employees face-to-face to hear their opinions. This is because you sometimes notice things that you can't get from paper-based information alone. After taking all these steps, I feel very grateful to then be able to participate in meetings of the Board of Directors and Audit and Supervisory Committee. Mr. Goto, what do you think about visiting workplaces for audits?
Goto: Some subsidiaries are vertically connected, while others are horizontally connected. This is not a bad thing, but it's inevitable in the industry. It's quite difficult to unify all of these with a single message, but Our Purpose embodies and promotes the same spirit throughout the entire Group.

However, it's also true that some people, even after reading Our Purpose, say, "It's hard to understand how it relates to my current company or my current job." I think the fact that people are so honest about this is a sign of a good corporate culture.
Hazama: Creating a company culture of openness has always been an important focus. I think that by speaking up when you don't understand something or when something is difficult, things will improve.

Emphasizing risk management while also addressing social issues and creating economic value

Hazama: Risk management is important for both offensive and defensive governance, but it's especially important for Audit and Supervisory Committee members to think about how to prevent risks in advance, rather than waiting until something has happened. Japanese companies are often said to have weak risk management. The Audit and Supervisory Committee has created a new system to address risk management. Mr. Ogura, what are your thoughts on the current state of risk management at JR-West?
Ogura: As a lawyer and judge, my life's work has been to create systems for determining why incidents occur, how to prevent them, and how to provide relief to victims, such as amending laws and improving their implementation. Meanwhile, risk management in a company is about preventing anticipated risks. However, unexpected things can happen. Based on experience, we need to prevent these from happening, and that is why we create and operate a cycle of identifying, analyzing,

and responding to risks.
Goto: JR-West is a pro when it comes to the railway business. We anticipate possible crises and have established response procedures and departments to deal with them. The challenge is whether we can apply these methods to other businesses and management.
Tada: We have a long history of risk management in the railway industry. Our group companies, which handle other businesses are also accumulating knowledge in areas such as food safety and equipment safety. Regarding applications to other businesses, for example, our new Wesmo! payment service may seem like a spectacular new venture, but it requires daily, painstaking checks. One of the people in charge said that, "We can apply the same approach we use in railway risk management to other businesses, so we're trying to create a system that incorporates that." It would be great if we could apply the same approach to sincerely protecting safety and security that we do in the railway business to new businesses like this.
Hazama: As Mr. Goto pointed out, I think there are some group companies that are having difficulty applying the risk management that has been developed over the years in the railway business. The Audit and Supervisory Committee is currently focusing on group auditing and is providing training and discussion opportunities.
Goto: The individual group companies should not operate in isolation; we need to share information, provide education, and offer consultation on concerns as a whole. The Audit and Supervisory Committee plays a part in this, and I believe that it must work together with staff to keep an eye on the entire Group.
Hazama: The Audit and Supervisory Committee has increased its staff and strengthened responsiveness. The Group has also established a whistleblowing system, which is essential for risk management, and has made repeated improvements, such as setting up a hotline that allows reports to be made directly to full-time Audit and Supervisory Committee members depending on the content of the report.
Tada: As an Audit and Supervisory Committee member originally from within the company, I believe it is important that people feel they are in a position where they can comfortably speak up about their concerns or things they notice. It's difficult to complain to your boss, but it's easier to do so through a hotline. I also want to contribute to making improvements by acting as a liaison between the executive team and outside directors.
Hazama: Mr. Goto, what are your thoughts on proactive governance and risk management, including financial aspects?
Goto: JR-West's finances have returned to the state they were in before the pandemic, and it is now in a position to capitalize on its financial leverage. However, low profitability is a concern and seen as negative by the market and investors. It goes without saying that wasteful investments are unacceptable and that efforts to improve are necessary, but as Ms. Hazama mentioned earlier, our company is expected to address social issues. It is inevitable that active efforts to solve social issues will

have some drawbacks that make profitability difficult, and the company should not be evaluated solely on economic value. It is important to balance economic value with social value, which I believe will lead to an offense-focused approach. As an outside director, this is something I will need to keep an eye on.
Hazama: The technology that the Group has built not only contributes to economic value but also aims to address social issues, and, building on this, to foster business creation. In that sense, if JR-West can create economic value while addressing social issues, it will be closer in line with Our Purpose.

Changing the subject, let me ask you about diversity. People tend to think of railway companies as being male-dominated, with clearly delineated job roles. Specialization is of course important, but diversity in the sense of bringing different perspectives with various backgrounds is also important. Ms. Tada, how do you assess diversity within the Group?
Tada: Many women are active in the field, including many railway support staff. The next challenge is how to cultivate decision-making executives, leaders, and managers. Utilizing diversity as an offense-focused measure can create new value amidst a diversity of existing values and can also identify risks that would go unnoticed in a highly homogenous organization; hence, diversity initiatives are important from the perspective of offense-focused governance as well.
Ogura: From the perspective of diversity, the company is increasingly hiring outside talent. Going forward, it may need to consider inviting outside talent to executive director and executive officer positions as well.
Hazama: Half of market participants, that is, customers who select products and services, are women, and, in some categories, they are more than half. It is necessary to make decisions and move forward with diverse values that transcend gender and generation, particularly in the life design field, in which the Group aims to strengthen itself.

Expectations and challenges in pursuing the medium-term plan

Hazama: This year is the final year of the 2025 medium-term plan. There is currently a mountain of challenges to deal with,

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including population decline, low birthrates, and an aging society. Going forward, the Group will be pursuing discussions aimed at formulating the next medium-term plan. From the perspective of an Audit and Supervisory Committee member, tell us your expectations and what challenges you think JR-West will face.
Goto: I have high hopes for the new Wesmo! business. It's a business that will see exponential growth as the number of users increases. However, as this is the first venture into the funds transfer industry, there are risks involved. I hope JR-West will fully pursue its ambitions in this business but, before that, will properly put in place a security system to ensure users feel safe.
Hazama: The Audit and Supervisory Committee will closely monitor new businesses, such as the Wesmo! funds transfer service, among the list of audit items. Today, we are holding this discussion at the Wester-X Business Division office. Ms. Tada, you have experience in digital initiatives. What do you think?
Tada: The key is how to create true synergy. We've created an environment where everyone can freely and openly connect information using IT. By sharing not only the details of our business but also our goals, it would be great if all employees could overcome barriers and create new value. To achieve this, diversity is important, and we should aim to build psychologically safe teams for the next generation.
Hazama: JR-West has a range of software and systems for things like railway timetable adjustments, schedule creation, and service-related work in the customer satisfaction departments. It would be great if these could be used effectively to demonstrate Group synergy.
Ogura: We will discuss with a sense of urgency what the Group's strengths are in the current economic situation with a shrinking population. We will also consider the next medium-term plan and long-term vision.
Tada: I want to further develop JR-West's strengths in its ties with local communities. The people who live there know best what's good about their community, so I want us to work together to increase the potential of those communities.
Hazama: JR-West works with local governments and businesses to help create urban landscapes and to develop important infrastructure. I think its strength is being able to create things that will be used by future generations. It's a time-consuming job, but being involved in work that spans long-time horizons is both a joy and of great value.
Tada: Even if you don't see results during your tenure, the projects you've worked on will continue. Or you may be working on something pioneered by someone else and nearing completion. I think we're all working hard to live in harmony with the local community.

To conclude: Resolutions as an Audit and Supervisory Committee member for further growth of the JR-West Group

Hazama: In order for the Group to continue to grow and provide social and economic value to stakeholders, it is essential that all group employees use Our Purpose as a compass and work toward realizing the Group's long-term vision and medium-term plan. So, to conclude, tell us your resolutions as an Audit and Supervisory Committee member for further growth of the Group.
Ogura: While various mechanisms are important, it is only by sharing information and exchanging opinions with all levels that we can provide opinions and suggestions based on facts. In that sense, I am keenly aware that we need full-time Audit and Supervisory Committee members, even though this is not legally required, and I intend to fulfill my duties while always keeping in mind the role and significance of full-time positions.
Tada: I also work full-time, and one of the significances of my position is that, because I am in the company, I can be consulted about things that would otherwise be difficult to say. I also want to provide the Audit and Supervisory Committee with the information they need for conducting audits and making judgments by properly communicating the company's internal situation.
Goto: Our Audit and Supervisory Committee members are very active, not only at the Head Office but also at branch offices and subsidiaries, attending important meetings and so on, but they also provide thorough oversight. At present, the effectiveness of the Audit and Supervisory Committee is ensured, but there are some aspects where it is unclear whether it will function in an emergency, making it difficult to evaluate. Although we have a solid audit system in place in normal times, I feel that we need to be aware that its true value may be tested in an emergency.
Hazama: The JR-West Group's mission is to enrich everyone's lives by providing a variety of services in addition to safe and secure transportation. Earlier, we mentioned the importance of diverse human resources, and in order to fulfill our mission, I hope that the JR-West Group can first be a corporate group where each and every employee can thrive. At the same time, today's roundtable discussion has reminded me once again of the importance of regularly obtaining a variety of information, including from the field, and acting accordingly as an Audit and Supervisory Committee member. Thank you for your time today.

Group risk management (Company-wide risk management system)

JR-West Group's approach to risk management

With the aim of promoting sound group management and continuing to take on the challenge of creating new value in the medium to long term, we have positioned risks that could hinder the realization of our Long-Term Vision and the achievement of our Medium-Term Management Plan as important risks for the Group, and have established a company-wide risk management system to monitor the management status of these risks.

Of the risks identified and selected by each in-house company, group company, and department within JR-West (corporate), the Group Risk Management Committee meets twice a year to compile and list the important risks that must be addressed from a management perspective. It confirms and discusses these risks, taking into account lessons learned from risk events that have occurred both inside and outside the JR-West Group.

When identifying and selecting major business environment-related risks, we seek insight into what society will be like in the future and review and verify the direction of the strategies we need to adopt from a backcasting perspective.

Additionally, we have established individual, specialized committees to engage in more concrete and efficient discussion on such risks as railway safety, climate change, and human rights.

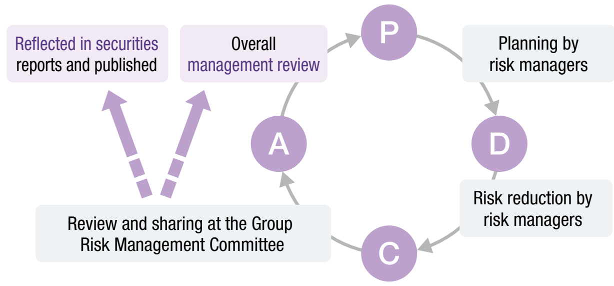
Risk management policy

1. The president, the general manager of the Corporate Governance Headquarters, and risk managers* will establish and operate the Group's risk management system to enhance corporate value and control the risk of loss.
2. The general manager of the Corporate Governance Headquarters will use the Group's risk management system to coordinate within the Group to ensure that priority risks for the Group are addressed without omission.
3. Risk managers will improve responsiveness to risks under their own purview, taking into consideration the above and the risk response of other risk managers.

*Risk managers: Persons who report major risks to the Group Risk Management Committee as well as manage those risks.

Company-wide risk management PDCA cycle

Risk managers plan ways to control and reduce major risks in the businesses and operations under their respective purviews. The Group Risk Management Committee creates a list of the "accumulated" major risks reported by risk managers and the "bird's-eye view" corporate strategy risks presented by the general manager of the Corporate Strategy Headquarters. This allows for centralized management of offensive and defensive risks. In addition to reflecting the Committee's discussions in securities reports, we also disseminate Group risk management reviews and policies within the company as "management reviews" to make improvements through the PDCA cycle.



Group Risk Management Committee

● Discussion content
1. Control status of major risks reported by risk managers
2. Handling of risks to the Group requiring particular attention
3. Lessons learned and improvements made from significant risk events, both within and outside the Group
4. Selection of business risks and other operational risks to be published in securities reports

List of business risks and other operational risks published in securities reports

Based on the standards required by the Cabinet Office Order on Disclosure of Corporate Affairs, the "Business Risks and Other Operational Risks" section of the securities report describes the likelihood and timing of risks manifesting, the impact of risks on business, and measures used to address risks.

Business risks and other operational risks

1. Ensuring safety
2. Occurrence of natural disasters and other disasters
3. Dramatic changes in the business environment
4. Securing human resources
5. Securing supply chains
6. Information security and management
7. Occurrence of serious crimes, terrorism, etc.
8. Infectious disease outbreaks and epidemics
9. Compliance
10. Specific legal regulations (railway business, Shinkansen development)

Group risk management (Company-wide risk management system)

In addition to establishing and operating a company-wide risk management system, we are implementing the following initiatives to enhance the effectiveness of risk management.

Multifaceted analysis and handling of business and policy-specific risks

With regard to important measures such as the agenda items to be submitted to the Group Management Committee, specific risks are subjected to investigation and analysis carried out in conjunction with legal departments. In addition, if there are any changes in the risk situation after decisions are made, a system is in place to issue the necessary reports to the Group Management Committee and others.

Before decisions are made	After decisions are made
Ensure that business departments and legal departments share information from the planning stage of important policies and that specific risks are presented to the management team in an appropriate manner for decision-making.	After decisions are made, monitor the status of risks that could have a significant impact on the Group's management, as well as the status of other, remaining risks, and issue reports to the Group Management Committee and others.

Establishing prior consultation rules

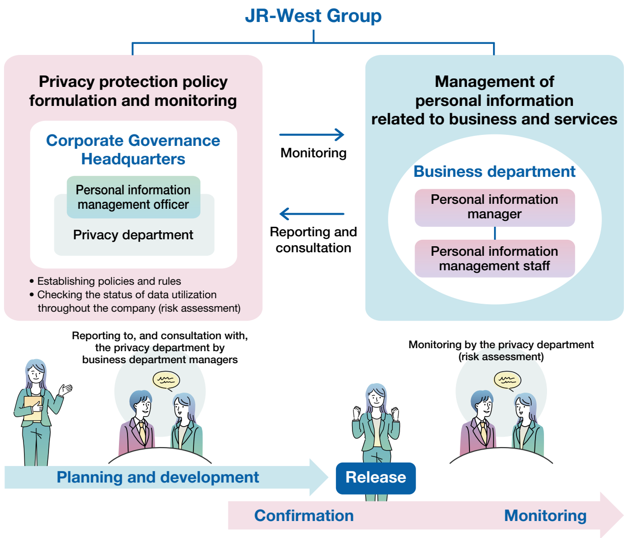
At JR-West, in order to ensure that business and legal departments work together early and respond appropriately to risks that may arise in the course of policy implementation, we have clarified matters for which legal departments will perform risk checks in advance, such as in the case of important investments and contributions.

Sharing major legal risk cases with management

The findings gained from analyzing contract risks, compliance risks, and other risks and how we responded to them in the JR-West Group are regularly reported to the Group Management Committee and others.

Privacy governance (Establishment of a system for protecting personal information and privacy)

When handling our customers' important data, we not only comply with laws and regulations but are also proactive about matters like privacy consideration and ensuring transparency. In addition to developing a system based on the "Guidebook for Corporate Privacy Governance in the Digital Transformation Era" established by the Ministry of Economy, Trade and Industry and the Ministry of Internal Affairs and Communications, we are also working to protect the personal information of customers from overseas, whose numbers are increasing due to inbound tourism demand.



Management system and monitoring mechanisms

Privacy Station

We have established a Privacy Station webpage to inform customers of our approach and efforts related to privacy protection, and this includes disclosure of the JR-West Group Privacy Policy, which unifies our stance on privacy protection across the entire Group.

Establishing a management system for handling personal information

We have established a dedicated team to oversee personal information protection and privacy, This team has put in place a system to consider privacy protection from the perspective of data utilization by the JR-West Group at the planning and development stages. It also works to enhance rules.

Personal information protection-related training within the Group

To improve personal information protection-related literacy throughout the JR-West Group, we provide training to group companies and other entities in person and via video streaming.

Working as an expert to strengthen governance

I was appointed as a founding member of the Privacy Governance Group, which was established in June 2024 as a team dedicated to privacy protection, through an in-house recruitment system. I am working to strengthen governance across the entire Group by establishing a privacy protection system within the JR-West Group, conducting risk analysis for projects, and providing accompanying support. Although this is a difficult field, I feel I am growing as an expert and find the job rewarding.


Privacy Governance, Corporate Governance Headquarters
Ryoga Oshiba

Emergency preparedness

Basic approach to emergency preparedness

In the event that an emergency occurs, or is likely to occur, the JR-West Group has put in place a range of mechanisms to minimize losses for the Group by quickly containing the emergency and restoring operations, with the safety of customers and employees as top priority.

Initial response system and BCPs

In order to put in place a system facilitating a rapid and appropriate initial response following the occurrence of a risk event, which encompasses a diverse range of hazards such as natural disasters and terrorism, we have prepared systematic regulations and manuals and conduct regular training.

Events for which rules and manuals are established individually

- Train accidents involving passenger deaths and injuries
- Terrorist acts, killings, bodily harm, or bombings at our facilities
- Large-scale disasters
- Armed attacks and other such situations
- Crisis situations when traveling abroad
- Personal information leakage
- Food-related accidents
- Systems failure

We have established emergency response guidelines, which stipulate initial response procedures that can be applied to cases that are difficult to handle, such as by using existing rules, and that can functionally support the emergency headquarters of group companies. In addition, we have formulated business continuity plans (BCPs) for the resumption of railway operations and the continuation of business, such as in the event of an infectious disease outbreak, so that we are prepared for emergency situations and can flexibly establish business execution structures suited to the level of the emergency.

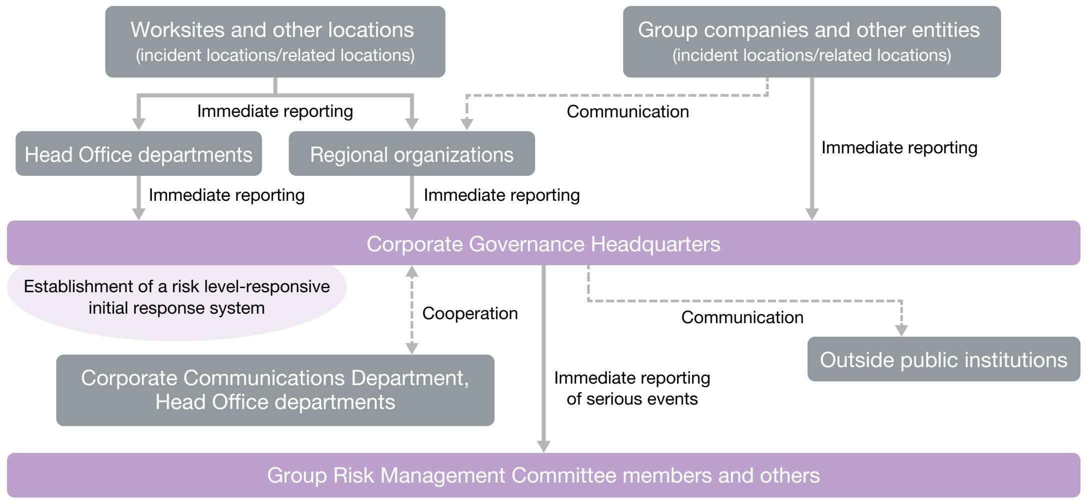
Food safety and building and equipment safety initiatives

In order to mitigate risks to customer safety, we are pursuing food safety and building and equipment safety initiatives. For both, we have formulated common guidelines for the JR-West Group and are working to improve and maintain safety and quality levels for the entire Group. Regarding food safety, we collaborate with specialized, outside consulting firms to prevent food poisoning, allergy-related problems and other health hazards, and legal violations. These efforts include improving the effectiveness of daily hygiene management, quality control and internal audits, and adapting to changing laws and regulations.


Group-wide training on food safety

Cooperating with group companies in normal times and using an emergency communication system

We ensure cooperation during normal operation periods by holding regular meetings with emergency management personnel from group companies and elsewhere. We also have a system for reporting promptly to manage any risk events that could affect human life, property, or social credibility in the business operations of JR-West or group companies.



Corporate ethics and human rights

JR-West Group's approach to corporate ethics and human rights

The JR-West Group not only complies with laws and regulations but also places importance on earning the trust and meeting the expectations of society and is sincerely committed to thorough corporate ethics and respect for human rights, which form the foundation of its business activities. Based on this thinking, we established the JR-West Group Code of Conduct in May 2024. This Code of Conduct serves as the common foundation for the JR-West Group in complying with laws, regulations, and social norms and acting with sincerity as we strive to realize Our Purpose. In it we clearly state our key values and what conduct must be ensured, such as speaking up about anything discomforting that may be experienced to prevent misconduct and its escalation, and having zero tolerance for any form of harassment. We strive to instill all of this in our executives and employees.

Also, we have been carrying out human rights due diligence based on the JR-West Group Human Rights Policy, which was revised in April 2023. We have identified human rights violation risks that need to be addressed as a priority, and we strive to make improvements through quantitative and periodic evaluations, such as setting key performance indicators (KPIs) in employee awareness surveys. With regard to abusive customers, which is one of the human rights violations that must be addressed as a priority, we established the JR-West Group Basic Policy on Customer Abuse in April 2024 and are creating an environment in which the human rights of JR-West Group employees are protected to ensure that they can work with peace of mind and in good health, both physically and mentally.

Corporate ethics and human rights efforts

Establishment of the JR-West Group Code of Conduct

The Code of Conduct is composed of three parts: Our Mindset, Our Commitment, and Our Executives' Mindset. The contents of each are described below.

JR-West Group Code of Conduct

■ Content of the JR-West Group Code of Conduct

Section	Target	Content (excerpt)
Our Mindset	Executives and employees	Compliance, observance of laws and regulations, mindset as an employee, four questions to ask yourself, ethics, organizational culture, importance of dialogue, whistleblowing, responsibility to speak up
Our Commitment (conduct we must ensure)	Executives and employees	1. Pursuing safety and security; 2. Respecting human rights; 3. Fair dealings; 4. Healthy relationships with business partners, government, and others; 5. Asset protection and utilization; 6. Ensuring information security; 7. Preserving the environment; 8. Creating a pleasant working environment; 9. Cutting off ties with antisocial forces; 10. Proper recording and release of company information
Our Executives' Mindset	Executives	Roles, basic attitude, respect for human rights, human resource development, organization building, sincere response

Our Mindset makes clear the mentality that JR-West Group employees should hold to, including compliance with laws and regulations, ethics, organizational culture, the importance of dialogue, and the use of whistleblowing hotline. Our Commitment also outlines important compliance items that all executives and employees must adhere to. Furthermore, all full-time executives of the JR-West Group have signed on to Our Executives' Mindset, which summarizes those matters that executives must comply with, and have sworn to take the lead in putting the Code of Conduct into practice.

In addition, the "Four questions to ask yourself," created in 2009, was revised in conjunction with the formulation of the Code of Conduct. We revised this document in order to enable executives and employees to ask themselves questions from various perspectives when they are unsure of what to do or feel tempted by something. In addition, in light of recent trends, we added content related to human rights violations, harassment, and awareness about the concept of integrity, which means to act with sincerity.

Currently, we are working to instill the Code of Conduct in all our employees, such as through discussion-style training and poster displays, so that they can gain a deep understanding of the Code of Conduct and be aware of it as the basis for making decisions in their daily work.

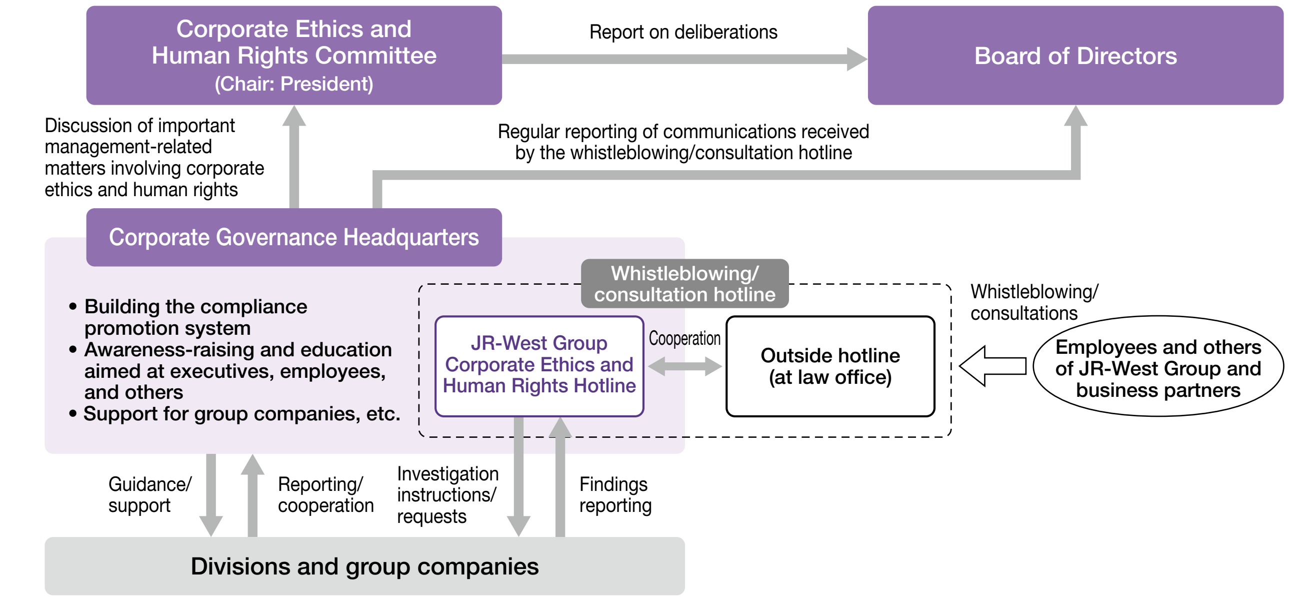
"Four questions to ask yourself" awareness-raising poster

Promotion structure

At JR-West, in line with our compliance promotion regulations, the Corporate Governance Headquarters plays a central role in building corporate ethics and human rights-related systems. We provide ongoing guidance and support to each department and group company, striving to raise compliance awareness throughout the entire Group. Important management matters are deliberated by the Corporate Ethics and Human Rights Committee, which is chaired by the president and which includes outside experts. The content of these deliberations is reported to the Board of Directors. We then take appropriate action to mitigate risks related to corporate ethics and human rights.

Additionally, the number of whistleblowing and consultation cases received, as well as summaries of those cases, are regularly reported to the Board of Directors.

■ Compliance promotion structure



Education and awareness-raising

The JR-West Group considers education and awareness-raising to be the foundation for promoting corporate ethics and human rights. In fiscal 2025, we worked to raise awareness through rank-specific training, including the Corporate Ethics and Human Rights Top Management Seminar for management across the Group, and by publishing a compliance newsletter for workplaces.

To ensure that the Code of Conduct is fully understood, we have held discussions using case studies and have shown a video entitled "Our Mindset (Four Questions to Ask Yourself)," which lays out our basic values and ways of thinking, with the aim of ensuring that each executive and employee of the JR-West Group has it in mind in their daily work. Furthermore, to ensure that the Code of Conduct is understood as one that values corporate ethics and human rights, we solicit slogans related to the Code of Conduct, including human rights, every year and encourage employees to take part.

Employee awareness survey

Every year in the JR-West Group, we conduct an employee awareness survey among all employees (approximately 50,000, including contracted workers), with the goal of monitoring the corporate culture and finding signs of misconduct. The survey results are reported to management, including at the meetings of the Corporate Ethics and Human Rights Committee in order to share compliance issues.

Regarding harassment, we have created questions to ascertain whether or not harassment is occurring, and by having employees write specific incidents in a free-response section, this survey serves as a "second whistleblowing hotline." If an investigation or other such action is sought, we will carry it out as we would for a whistleblowing report, working to prevent and reduce harassment.

Corporate ethics and human rights

Whistleblower system

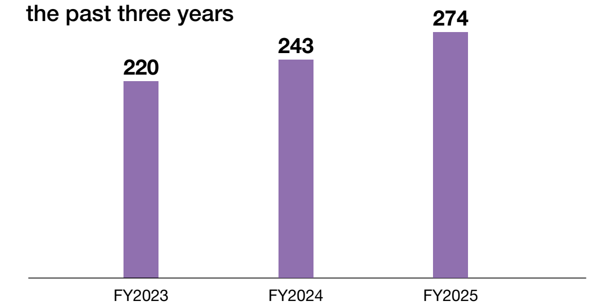
The JR-West Group has established rules for whistleblowing and consultations in order to respond appropriately to violations of laws and regulations involving executives or employees. We have set up an internal JR-West Group Corporate Ethics and Human Rights Hotline so that employees can report and seek advice with peace of mind. We have also set up an external hotline for whistleblowing and consultation.

Furthermore, we have established an Audit and Supervisory Committee Hotline as a reporting and consultation hotline independent of management, which responds to reports and consultations from Group employees regarding matters related to executives.

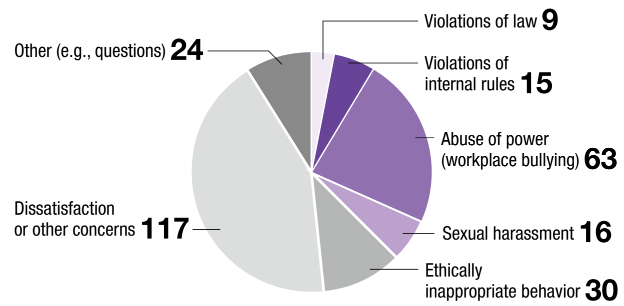
In accordance with the spirit of the Whistleblower Protection Act and other laws and regulations, the Group's whistleblowing system imposes a duty of confidentiality on those involved in handling reports and consultations in order to thoroughly protect whistleblowers and improve the reliability of the system. In addition, we are working to strengthen the hotline's reception and response system and strive to provide careful responses based on the wide-ranging knowledge and experience of our diverse staff. Further, the hotline responds to reports and inquiries not only from Group executives and employees but also from all stakeholders, including business partners. In addition to matters regarding compliance concerns, we also widely accept reports on human rights issues arising in business activities (grievance mechanism).

In fiscal 2025, the entire JR-West Group received 274 reports and consultations. The number has been on the rise in recent years, and we will continue to work to improve the effectiveness and reliability of the system.

■ Number of whistleblower reports and consultations over the past three years

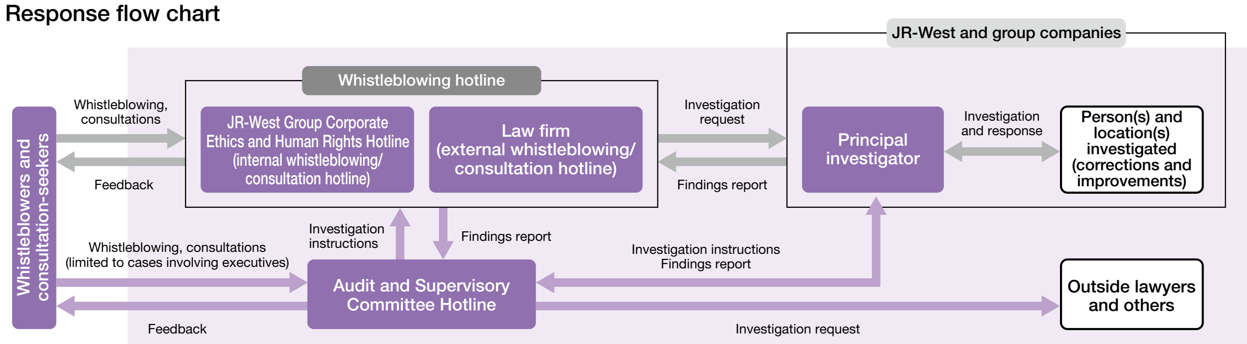


■ Breakdown of whistleblower reports and consultations in FY2025



Note: The number of reports and consultations includes those made to the internal and external hotlines, as well as reports and consultations made to the JR-West Work-Life Balance Support and Harassment Counseling Office. Please note that these numbers differ from the number of cases that have been confirmed as fact.

■ Response flow chart



The JR-West Group strives to boost recognition and proper understanding of the whistleblowing system by conducting the aforementioned educational activities, putting up posters in workplaces, and giving all employees cards that remind them that the hotlines are always available to listen to whistleblowers and provide them with consultation. As well, information on the hotlines is continuously appearing in the in-house magazine and on the JR-West intranet.

To improve the reliability of the system, we give out questionnaires to hotline users to identify issues related to handling reports and consultations and work to make improvements. For reports and consultations that cannot be answered directly, such as anonymous letters, the findings are published on the JR-West intranet to ensure transparency.

We believe that these efforts will enable all employees to use the whistleblowing system with peace of mind, leading to the early detection and correction of things like fraud, harassment, and human rights violations and contributing to thorough corporate ethics and respect for human rights throughout the JR-West Group. Furthermore, in order to quantitatively and qualitatively evaluate the reliability of the whistleblowing system, we have set target indices (KPIs) in the aforementioned employee awareness survey and are continuously verifying the effectiveness of the system.

The JR-West Group will continue to foster a self-cleansing corporate culture through the appropriate operation of its whistleblowing system and will continue to work toward the creation of a psychologically safe environment where everyone can work with peace of mind.

JR-West Group Corporate Ethics and Human Rights Hotline awareness-raising poster

Summary of anonymous whistleblowing and consultation cases and findings (examples)

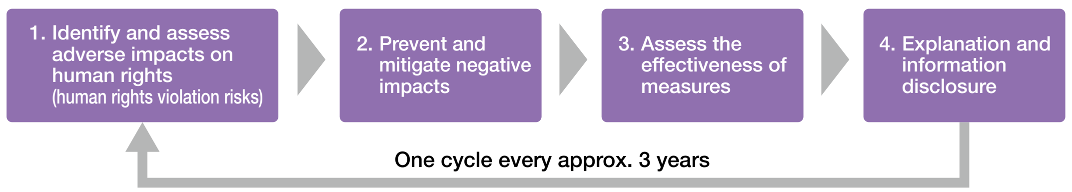
The following are the statuses and outcomes of anonymous letters and other consultations where the person submitting the report or seeking consultation cannot be contacted directly. Although we do handle anonymous reports and consultations, if the contacting party provides their name and contact information, we are able to investigate more smoothly and the contacting party tends to be more satisfied with the findings. We strictly maintain confidentiality for those who submit reports or seek consultation and prohibit any disadvantageous treatment.

Date received	Results & update month		Summary of matter	Relevant company	Findings
DD/MM/2025		New	Inappropriate posting on social media	JR-West	The facts of the matter were verified and the person in question was interviewed. We gave strict instructions, including suspending access to the social media account in question.
DD/MM/2025		New	Abuse of power by a superior	Group company	Under investigation
DD/MM/2025	MM/2025	Update	Abuse of power by a superior	Group company	After interviewing many people in the department, we confirmed that the allegations were largely true and took strict action.
DD/MM/2025		Investigation and response	Personal issues between employees in the workplace	Group company	Because the issue involves a private matter of an employee, it cannot be dealt with through the hotlines. If there are any specific circumstances in which the work environment has deteriorated, such as finding it difficult to do your job, please contact us again.
DD/MM/2025	MM/2025		Unfair dealings by a superior	JR-West	A questionnaire was administered to the executives and employees of the group company in question, and an outside lawyer conducted interviews with related parties and the individual in question. As a result, we were unable to confirm any facts that corresponded to those reported.

Human rights due diligence

Based on the JR-West Group Human Rights Policy, the JR-West Group conducts human rights due diligence as a means of identifying and mitigating human rights violation risks in the course of business activities and to remedy any actual impacts.

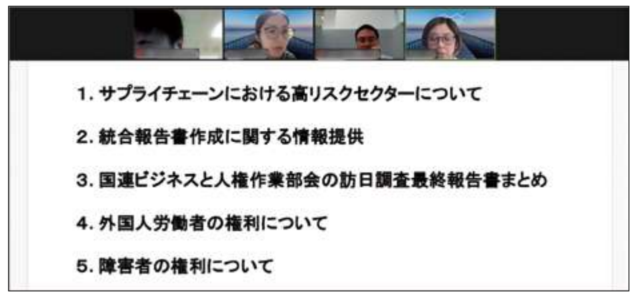
In fiscal 2024, we began working systematically on identifying and mitigating risks and then evaluating the effectiveness of these efforts over a roughly three-year cycle. In fiscal 2025, we finished identifying human rights violation risks that require priority response and are working to prevent and mitigate negative impacts.



JR-West Group Human Rights Policy

Identifying human rights violation risks requiring priority response

The JR-West Group has created a risk map (on the next page) to identify human rights violation risks that require priority response. The risk map was created based on the human rights violation risks listed in the Ministry of Justice document, "What Companies Need to Do About Business and Human Rights Today," and the self-assessment questionnaire prepared based on the advice of Social Connection for Human Rights (an NGO). Also, the map was created by the secretariat, using evaluation methods such as those described in the Ministry of Economy, Trade and Industry's "Guidelines on Respecting Human Rights in Responsible Supply Chains" (and including the results of the self-assessment questionnaire) and by taking into account the specialized knowledge of the NGO.



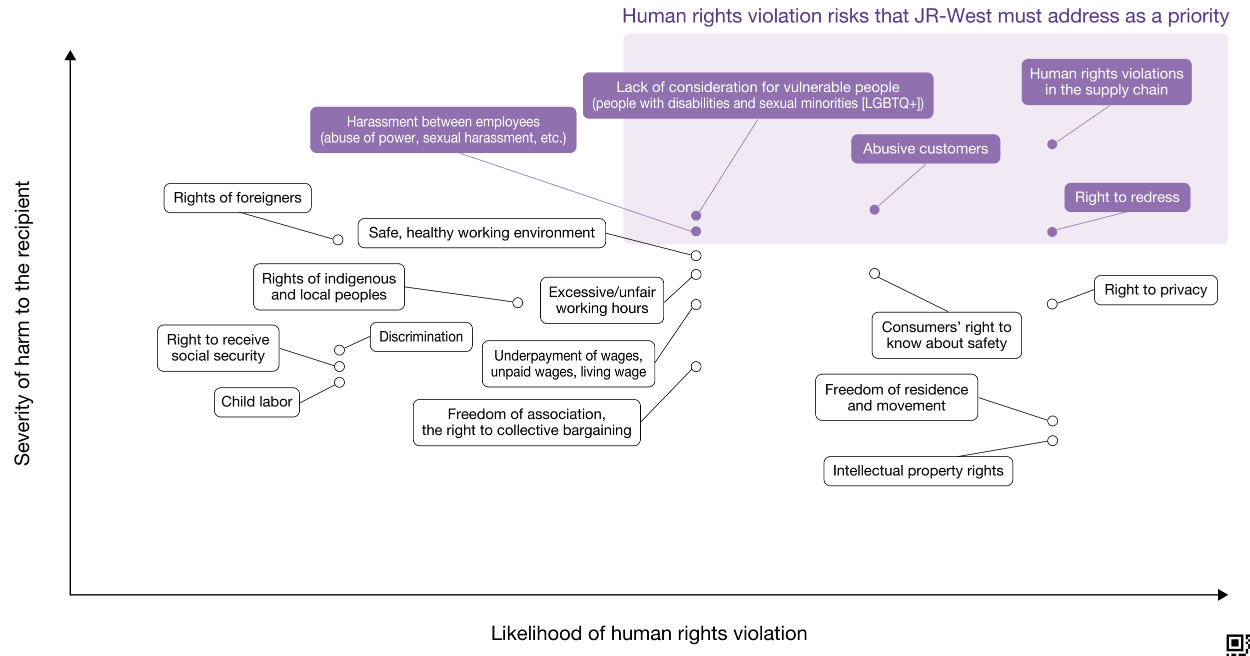
On-line dialogue with an NGO

Our values
President's message
Value creation process
Materiality
Corporate governance
Data

Corporate ethics and human rights

Based on the severity and likelihood of occurrence of the items on the risk map, we identified five risks for which we felt there was insufficient response and the responsibility was unclear.

■ Human rights due diligence risk map



JR-West Group Basic Policy on Customer Abuse

Addressing priority human rights violation risks

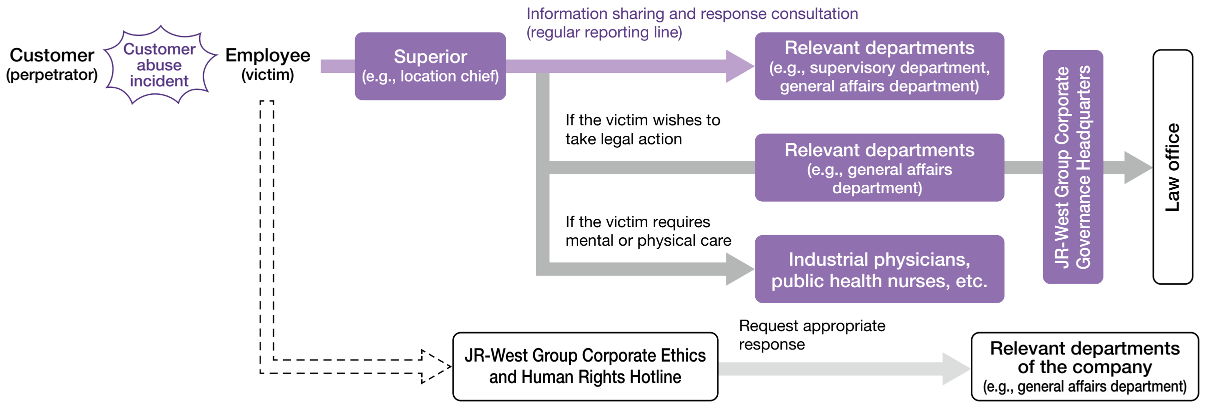
1. Preventing and reducing customer abuse

In the JR-West Group, we work hard every day to provide services that satisfy our customers, humbly accepting our shortcomings and continuing to strive to make improvements. At the same time, we believe that protecting the human rights of employees working within the Group, and creating an environment where they can work with peace of mind and in good health, both physically and mentally, is essential to providing high-quality services. Based on this idea, in April 2024 we established the JR-West Group Basic Policy on Customer Abuse and have released it both to employees within the Group and to the general public. We have also established a system that allows employees to consult with specialized lawyers. We have also put up posters and provided video-based training to all employees to raise awareness of basic knowledge about customer abuse in both B2C and B2B settings, as well as the legal consultation process.

In fiscal 2025, five legal consultations were received across the Group. For example, an employee who was injured after being subjected to violence while on duty sought advice on whether or not to file a claim for damages and received advice from a lawyer on several possible responses.

Currently, each group company is working to further improve its response to abusive customers by establishing necessary systems, including the specific methods and procedures for dealing with such customers.

■ General response and communication process in customer abuse incidents



JR-West Group Basic Policy on Customer Abuse awareness-raising poster

Inspection tour in Vietnam

2. Addressing human rights violations in the supply chain

The JR-West Group has formulated the JR-West Group Supply Chain Policy and has publicized it among its business partners. In addition, in order to identify the risk of human rights violations occurring among its business partners, the Group has conducted a supply chain survey of its first-tier suppliers. Based on the results of this survey, we conducted interviews and dialogues with business partners regarding issues including human rights.

To prepare for the future increase in foreign workers following the addition of the railway sector to the government's specified skilled worker program, we have formulated the JR-West Group Guidelines on the Acceptance, Inclusion, and Promotion of Human Rights of Foreign Workers and a foreign workers human rights violation checklist. Technical intern trainees and specified skilled workers are considered to face higher risks of human rights violations due to the involvement of multiple intermediary agencies. We thus visited Vietnam to confirm the status of legal compliance through dialogue with sending agencies and international organizations and to deepen our knowledge of relevant laws and regulations.

3. Preventing harassment within the company

The JR-West Group provides education and awareness-raising for all executives and employees based on the idea of "not committing, not allowing, and not ignoring" any form of harassment. Specifically, we have held communication skills improvement seminars for management across the Group and values update training to help employees become aware of generational differences in values. We are also working to raise awareness by displaying the aforementioned JR-West Group Corporate Ethics and Human Rights Hotline awareness-raising poster at each group company.

4. Improving support for vulnerable people (people with disabilities and sexual minorities [LGBTQ+])

The JR-West Group is working to develop and publicize, not only from the perspective of customers but also from the perspective of diversity and securing human resources, various systems relating to people who have disabilities or are sexual minorities (LGBTQ+). As fostering employee understanding remains an issue, we carry out ongoing education and awareness-raising, including training for managers and sharing whistleblowing cases, such as those involving outings.

In response to the revised Act for Eliminating Discrimination against Persons with Disabilities that came into effect in April 2024, JR-West Group companies are implementing measures and updates in line with the "Guidelines for Promoting the Elimination of Discrimination against Persons with Disabilities in All Fields" revised by the relevant ministries.

5. Establishing redress-related hotlines

The JR-West Group has established the JR-West Group Corporate Ethics and Human Rights Hotline, as well as an outside hotline, to serve as points of contact in seeking redress for human rights violations (i.e., as grievance mechanisms). These contact points accept reports and consultations regarding human rights violations that occur in the supply chain, both inside and outside the JR-West Group, and, if necessary, work with business partners to resolve the issue.

Message from an outside expert

Conducting human rights due diligence in accordance with the human rights policy and steadily addressing priority human rights violation risks are ways of demonstrating the responsibility to respect human rights as required by the UN Guiding Principles on Business and Human Rights.

Regarding the employment of foreign workers, the on-site visits by JR-West to understand the actual conditions of the employment process—particularly as a human rights risk for migrant workers—are extremely useful for understanding the situation in sending countries. In the future, from the perspective of respecting international human rights, particularly the prevention and mitigation of forced labor, I hope to see efforts made to eliminate the fees borne by foreign workers and to strengthen post-employment support systems.

Furthermore, in order to respect the human rights of vulnerable people both inside and outside the company, it is essential to engage in dialogue with stakeholders, including the organizations involved, and address the issues that arise in order to build more effective human rights due diligence and redress mechanisms.

Co-founder, attorney, Social Connection for Human Rights
Akiko Sato

Information security

JR-West Group's approach to information security

In order to protect the JR-West Group's information assets from various threats, we have established and adhere to the JR-West Group Information Security Policy. We declare that we will leverage information-sharing and cooperation among group companies to facilitate the implementation of ongoing, group-wide information security measures.

In recent years, the risks posed, and damage caused, by cyberattacks have increased, as well as become more frequent, and the Japanese government has called for stronger cybersecurity as part of its national policy. The JR-West Group deals with information security as one of the four pillars of its digital strategy, looking for ways to address the increasing vulnerabilities that accompany the expansion of digital transformation, the increasing sophistication of cyberattacks, and the increasing number of threats.

As the JR-West Group pursues new value through digital technology, we are advancing through a dual focus on an 'offensive' digital strategy and 'defensive' information security. It is essential that we have a foundation of appropriate information security throughout the Group as we accelerate the development of a variety of services, including the launch of Wesmo!, and the creation of new businesses.

To ensure that our customers can reliably and confidently use our services, we implemented a range of security measures in the lead-up to Expo 2025. We will continue to build upon this foundation with measures in response to changing risks, while remaining focused on mutual understanding and respect and empathy within the Group and with partners.

Head of operations; technical officer; general manager of System Management Division (CISO), Digital Solutions Headquarters
Yasuhiro Kai (registered information security specialist [registration no. 025068])

Information security governance

JR-West Group's security structure

We have an Information Security Committee chaired by the CISO (chief information security officer), and under this, we operate the Critical Infrastructure Subcommittee and JR-West Group CSIRT[*1] (JRW-CSIRT). In addition, we are working to improve the security level of the entire Group while also pursuing collaboration with external organizations.

● **Information Security Committee**

Beyond reporting on the results of security efforts within the JR-West Group, the committee also sets policy, based on internal and external trends, for efforts aimed at improving the security level of the JR-West Group.

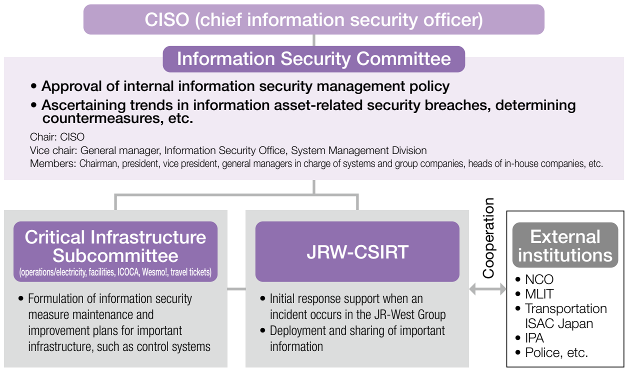
● **Collaboration with external organizations**

In addition to sharing information with external organizations such as the National Cybersecurity Office (NCO), the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), police agencies, and the Information-technology Promotion Agency (IPA), we are strengthening security through membership in Transportation ISAC Japan[*2] and actively participating in working groups hosted by the Nippon CSIRT Association (NCA)[*3].

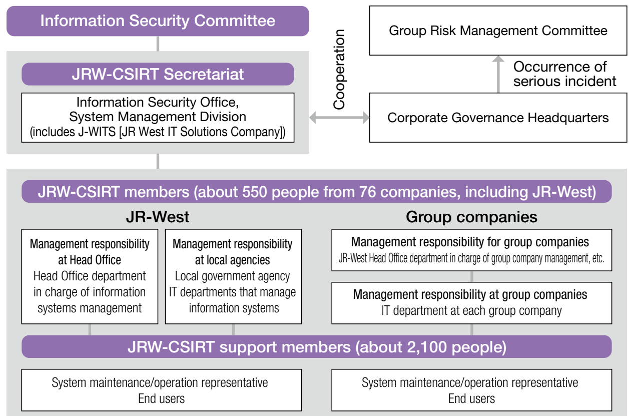
Operation of JRW-CSIRT

The JRW-CSIRT is an organization aimed at preventing security incidents and limiting the extent of their impact when they occur. We use it to foster awareness through information sharing and education and to respond quickly when incidents occur. We are also strengthening our framework by assigning JRW-CSIRT members (about 550 people from 76 companies) to serve as contact points for each department and each company and JRW-CSIRT support members (about 2,100 people) to each workplace.

■ JR-West Group's security structure



■ JRW-CSIRT structure



*1 CSIRT: Computer Security Incident Response Team. An organization responsible for handling computer security-related incidents.
*2 Transportation ISAC Japan: An organization that conducts activities contributing to the improvement of collective defense capabilities in the transportation and transport sector.
*3 NCA: An organization that facilitates information sharing and collaboration among CSIRTs operating in Japan.

Operation of the Critical Infrastructure Subcommittee

With regard to control systems, including those related to railway operations, and important systems that support infrastructure (critical infrastructure), such as ICOCA and Wesmo!, the Critical Infrastructure Subcommittee of the Information Security Committee is pursuing various initiatives led by the heads of the departments responsible for each system. In addition, we are cooperating with outside organizations (such as the NCO) to share information and conduct training on cyberattacks and countermeasures.

Secure system development

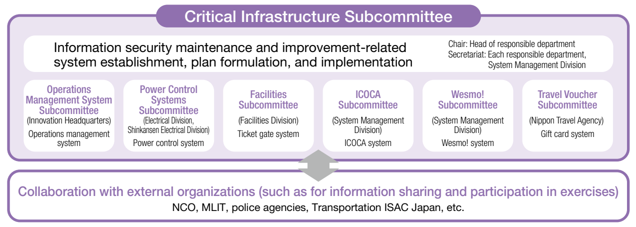
To ensure the safe development and operation of our systems and services, the JR-West Group is implementing a security review initiative based on the concept of security by design. In this, security requirements are confirmed and approved at the system concept stage, while the implementation status is confirmed before release, particularly for systems that handle customers' personal information, for which tight security measures are required.

Self-inspection-based continuous improvement activities

The JR-West Group has formulated the JR-West Group Information Security Guidelines, which set out specific security standards that must be observed. We regularly review these guidelines in light of technological trends and past incidents.

Based on these guidelines, JRW-CSIRT member companies conduct self-inspections to ensure that the necessary security measures are being implemented appropriately in each system. If any deficiencies are found, they formulate an improvement plan and undertake improvement activities. The JRW-CSIRT Secretariat supports early risk reduction by following up on self-inspections, and JR West IT Solutions Company (J-WITS) helps improve security at group companies by providing IT shared services and IT business support services.

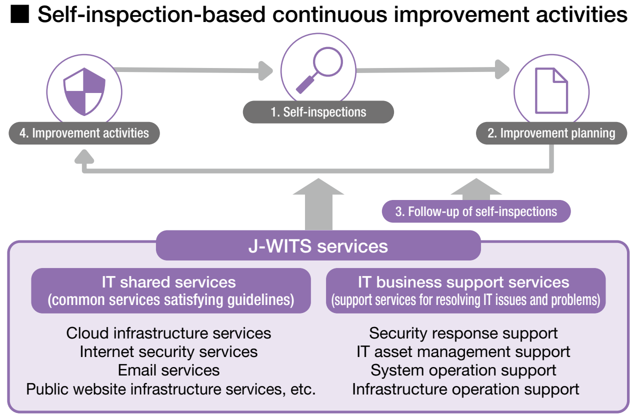
■ Operation of the Critical Infrastructure Subcommittee



■ Steps until a decision is made to invest in system development

Baseline approach	Confirm that the security requirements expected of JR-West Group systems, as stipulated in the JR-West Group Information Security Guidelines, are adhered to.
Risk-based approach	Identify and evaluate risks according to system and service characteristics, and confirm the adequacy of security measures for each risk.

■ Self-inspection-based continuous improvement activities

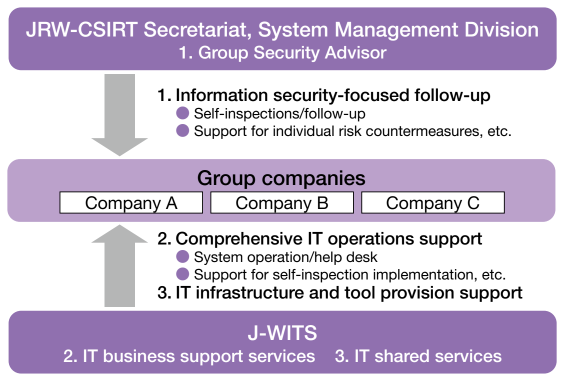


Support for group companies

Further improving the level of information security, not only for JR-West but for the entire JR-West Group, is an urgent issue in promoting the Group's digital strategy. Each year, each group company works to improve information security accuracy based on the PDCA cycle. Group companies recognize that resolving common issues, such as a shortage of IT and information security personnel, increased workloads due to system implementation and updates, and concerns about their own information security risk assessments is key to further improvement. To that end, we are supporting group companies with the following three measures, which includes new measures.

1. JR-West has strengthened the Group Security Advisor position, which was newly established in fiscal 2025 to support group companies in resolving information security issues. For example, we engage in specific discussion with each company regarding each of the wide-ranging self-inspection checklist items, assess risks, share awareness of key risks, and conduct activities that drive improvement.
2. We are strengthening the IT promotion system of our group companies through IT business support services provided by J-WITS. This not only raises the level of each company's security response capabilities but also reduces their workload.
3. We provide IT shared services, such as the J-WITS shared platform and information security countermeasure tools, that meet the information security guideline checklist, to reduce information security risks at group companies and to ease the burden of self-inspections.

■ Support for group companies



Information security

Information security measures

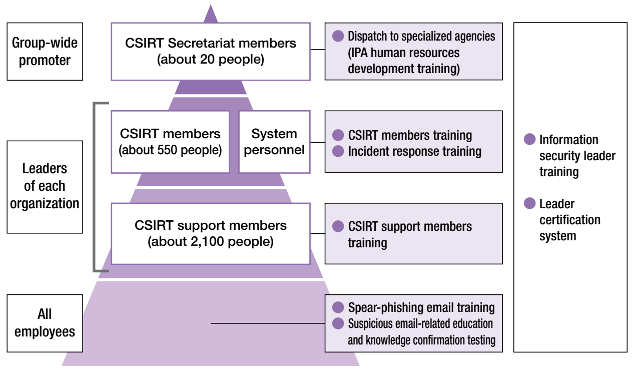
Improving employee literacy

As part of our efforts to improve information security-related literacy, the JR-West Group provides information security training and education for all employees along with rank- and role-specific education and training. In addition, to motivate employees engaged in information security work, we have an information security leader certification system.

FY2025 results

Classification	Conditions	Number of certified individuals
★★★	Information security leader training: Completed + Registered information security specialist examination: Passed	70 people
★★	Information security leader training: Completed + Information security management examination: Passed	228 people
★	Information security leader training: Completed	6,297 people

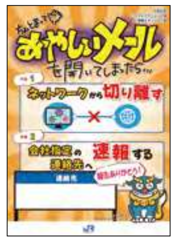
■ Overview of information security training and education



Education and training for all employees

In order to foster crisis consciousness and improve initial response capabilities, we conduct spear-phishing email training for all executives and employees (about 50,000 people) of JRW-CSIRT member companies.

Additionally, we provide training to all employees of JRW-CSIRT member companies to ensure they have an understanding of the minimum rules that must be observed. In fiscal 2025, we conducted training for all executives and employees on the 10 points of suspicious emails and posted warning posters in each workplace.


Awareness-raising poster

Stickers handed out

Education and training for management and promotion leaders at each organization


Scene from an information security training session

● **For senior management and department heads**

We conduct training for executives, CISOs, and other senior management (about 210 people) of JRW-CSIRT member companies, including group companies, with the aim of helping them understand the threat of cyberattacks, how to counter them, and the role that management should play in security measures.

● **For personnel in charge of information security**

We conduct training for JRW-CSIRT members and others in order to cultivate human resources capable of taking the lead in information security measures. We also hold briefing sessions for CSIRT support members to help them understand the basics of information security and the purpose and content of CSIRT activities.

● **For personnel in charge of critical infrastructure**

We participate in cyber-exercises (simultaneous exercises in all fields, as well as prior to Expo 2025) organized by the NCO for critical infrastructure operators, and are verifying failure response systems.

Education and training (incident response training) for management and promotion leaders at each organization

JRW-CSIRT member companies conduct training that simulates the suspension of important corporate systems and the leakage of confidential information. The purpose of this training is not only to ensure system personnel understand the incident response process but also to ensure management make appropriate decisions when an incident occurs. This training is therefore conducted with the participation of top management.

Education and training for Group-wide promoters

We dispatch employees for one year to the core human resources development program sponsored by the IPA to develop security-savvy human resources. In addition, we have a system to support participation in outside training and the acquisition of qualifications. As a result of encouraging security-related study in particular, over 70 people within the JR-West Group have passed the registered information security specialist examination.

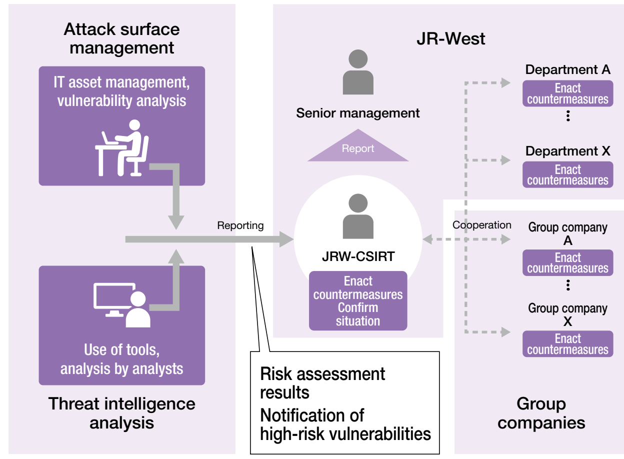
Overview of technical countermeasures

With the expansion of the use of cloud services and AI-related systems, the amount of internet-driven communication is increasing year by year. This means the risk of cyberattacks is also increasing. In response to this, we are considering and introducing technical measures that address the risks of cyberattacks from the perspective of identity, devices, networks, applications, data, and monitoring. We are also working to ensure people can have greater confidence when using JR-West Group services, such as by strengthening email sender authentication.

Responding to external threats

We collect intelligence information that provides signs of cyberattacks and clues about attacks, along with externally disclosed digital asset management information, and we regularly analyze this information from the attacker's perspective. This allows us to identify weaknesses in the JR-West Group and to be continuously strengthening our preparedness against cyberattacks.

■ Responding to external threats



Setting information security-related KPIs and recognizing outstanding organizations

We have set information security-related KPIs for JRW-CSIRT member companies, and we conduct quantitative evaluation of security measures. Specifically, by setting Group-wide KPIs for individual items, such as attack surface investigation using threat intelligence, spear-phishing email training, and the number of participants in information security leader training, we ensure there are shared, common goals among all departments and Group companies, thereby promoting consistency in security measures.


Excellence Award presented to JR West Shopping Center Development Company


Excellence Award presented to Osaka Electrical Construction Office

● **Awarding outstanding organizations**

Organizations that have achieved particularly outstanding results are recognized, and their efforts are highlighted to further promote information security activities within the JR-West Group. Based on their performance in fiscal 2025, awards were given to four organizations for the Grand Prize, five for the Excellence Award, and one for the Encouragement Award.

■ Main information security-related KPIs

- Attack surface investigation using threat intelligence
  Important items have been addressed
- Spear-phishing email training
  Percentage of recipients who did not issue a report after opening the test email: Less than 1%
- Number of participants in information security leader training
  Percentage of employees with information security leader certification: 10% or more

Third-party evaluations, certifications, etc.

Third-party evaluations, certifications, etc.

The JR-West Group is actively working to obtain certifications and qualifications related to information security.

● **Acquisition of ISMS certification at JR-West**

On March 16, 2025, the JR-West Digital Solution Headquarters' Wester-X Business Division obtained ISMS certification (ISO/IEC 27001:2022), an international standard for information security management systems.

● **Information security-related qualifications acquired**

In order to appropriately implement security measures at each company, we encourage them to acquire security-related public qualifications.

As of April 1, 2025 (including those who passed under the previous system)

Name of qualification	Number of certified individuals		Total
	JR	Group companies	
Registered information security specialist (SC)	36	38	74
Information security management (SG)	241	151	392

Non-financial data (environmental)

Total CO_2 emissions (Scope 1/2/3, JR-West Group)

Unit: Tons-CO_2

Item	Target and calculation method*3	FY2023			FY2024			FY2025*1		
		Non-consolidated	Group companies*2	Total	Non-consolidated	Group companies*2	Total	Non-consolidated	Group companies*2	Total
(Restated) Scope 1+2+3	Sum of Scope 1, 2, and 3	3,084,498	1,551,292	4,635,790	3,470,410	1,829,742	5,300,151	2,862,228★	3,493,589★	6,355,817★
(Restated) Scope 1+2	Sum of Scope 1 and 2	1,285,956	206,248	1,492,204	1,552,325	229,975	1,782,300	1,485,833★	212,628★	1,698,460★
Scope 1	Total CO_2 directly emitted by the JR-West Group from combustion of fuels, such as diesel oil for diesel train operation, and kerosene and heavy oil for operational purposes (includes the CO_2 equivalent mass for leaked fluorocarbons)	79,795	64,808	144,604	78,182	62,623	140,805	77,149★	59,739★	136,888★
Scope 2*4	Total CO_2 emitted indirectly by the JR-West Group from the use of power and heat purchased from power companies and others	1,206,160	141,440	1,347,600	1,474,144	167,352	1,641,495	1,408,684★	152,889★	1,561,572★
Scope 3	Total CO_2 emitted from other companies in relation to the JR-West Group's business activities (indirect emissions other than Scope 1 and Scope 2)	1,798,542	1,345,043	3,143,585	1,918,084	1,599,767	3,517,851	1,376,396★	3,280,961★	4,657,356★
Cat.1 Purchased goods and services	Calculated by multiplying the annual transaction amount of purchased products, services, etc., by the emission factor of each supplier Deduction for intergroup transactions	845,897	853,667	1,699,564	973,685	1,001,493	1,975,177	917,186★	2,552,569★	3,469,755★
Cat.2 Capital goods	Calculated by multiplying the annual transaction amount, e.g., for purchased equipment, by the emission factor of each supplier Deduction for intergroup transactions	728,225	230,620	958,845	710,858	327,567	1,038,425	215,043★	143,680★	358,722★
Cat.3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	Calculated by multiplying annual Scope 1 and 2 energy consumption by the relevant emission factor	210,138	52,159	262,297	219,916	51,901	271,816	215,583★	42,445★	258,028★
Cat.4 Upstream transportation and distribution	Calculated by multiplying the transaction amount to the delivery company by the relevant emission factor If transportation costs cannot be determined, calculated by multiplying the estimated logistics costs by the relevant emission factor	-	-	-	-	-	-	13,994★	152,163★	166,157★
Cat.5 Waste generated in operations	Calculated by multiplying the annual amount of waste (by type and by treatment method) by the relevant emission factor	6,207	23,586	29,793	5,726	37,089	42,814	7,014★	28,217★	35,231★
Cat.6 Business travel	Calculated by multiplying the number of employees, total number of business travel days, or transportation costs for each transportation method by the relevant emission factor	2,833	3,022	5,855	2,779	3,007	5,786	1,334★	4,706★	6,039★
Cat.7 Employee commuting	Calculated by multiplying the number of employees, number of working days, or transportation costs for each transportation method by the relevant emission factor	5,242	5,569	10,811	5,121	5,547	10,668	6,242★	11,730★	17,972★
Cat.8 Upstream leased assets	Calculated by multiplying annual energy consumption/total floor area of rental property by the relevant emission factor	-	-	-	-	-	-	-	364★	364★
Cat.11 Use of sold products	Calculated by multiplying the amount of activity (calculated based on actual sales volume and standard usage scenarios, e.g., number of uses, total floor area) by the relevant emission factor	-	9,201	9,201	-	15,865	15,865	-	281,623★	281,623★
Cat.12 End-of-life treatment of sold products*5	Calculated by multiplying the amount of waste generated from sold real estate (structure, total floor area, etc.), products, food and beverages, and miscellaneous goods (e.g., component materials) by the relevant emission factor	-	2,089	2,089	-	853	853	-	24,896★	24,896★
Cat.13 Downstream leased assets	For buildings, calculated by multiplying the total floor area of rental property by the relevant emission factor For leased vehicles and other assets other than buildings, the total amount is calculated by multiplying the energy consumption per leased asset by the number of leased assets owned, and this is then multiplied by the relevant emission factor For leased vehicles and other assets other than buildings, calculated by multiplying the number of leased assets by the relevant emission factor	-	165,131	165,131	-	156,446	156,446	-	24,586★	24,586★
Cat.15 Investments	Calculated by multiplying the estimated emissions from real estate managed as an own investment/asset management business by the own investment amount/investment amount relative to the total investment amount	-	-	-	-	-	-	-	13,983★	13,983★

*1 Items covered by third-party assurance on pp.121 and 122 are marked with a ★.
*2 The scope of calculation (boundary) for group companies has been changed to include only all consolidated subsidiaries for FY2025. Up through FY2023 and FY2024, this encompasses all consolidated subsidiaries and Osaka Energy Service Co., Ltd.
*3 Based on the Act on Promotion of Global Warming Countermeasures, scope- and category-specific calculation of CO_2 emissions is carried out in line with the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain ver. 2.7 published by the Ministry of Economy, Trade and Industry and the Ministry of the Environment, and the GHG Protocol.
In addition, for Scope 3 for FY2025, in order to improve data accuracy, categories 1 and 2 have been changed to a calculation method using the relevant emission factor of each supplier, and other categories have also been changed to the "Target and calculation method" shown in the table above.
For FY2023 and FY2024, the previous values are posted as is.
*4 Scope 2 CO_2 emissions are market standards.

Note: Cat. 9, 10, 14, of Scope 3 are omitted for the following reasons.
Cat.9 (downstream transportation and distribution), Cat.10 (processing of sold products): Because of the nature of the JR-West Group's business, the impact from this has been determined to be negligible.
Cat.14 (franchises): Because franchise business is not part of the JR-West Group's business.

Water resources

Unit: Thousand m^3

Item	Target and calculation method*3	FY2023			FY2024			FY2025*1		
		Non-consolidated	Group companies*2	Total	Non-consolidated	Group companies*2	Total	Non-consolidated	Group companies*2	Total
Total water withdrawal	Total for public water supply, groundwater, and industrial-use water	3,988	4,183	8,171	4,115	4,608	8,723	4,723★	4,821★	9,544★
Public water supply	Aggregate the usage amount on the bill from the waterworks bureau	3,082	3,344	6,425	3,265	3,756	7,022	3,924	4,009	7,932
Groundwater	Aggregate the measured values from meters managed in accordance with the Measurement Act	606	838	1,444	607	851	1,458	593	811	1,405
Industrial-use water	Aggregate the usage amount on the bill from the waterworks bureau	300	1	301	243	0	243	206	0	207
Recycled water		124	141	264	136	59	195	142	47	189
Total amount of wastewater	Total discharge into rivers and sewerage	4,028	4,019	8,047	4,070	4,483	8,554	4,294	4,744	9,037
Total discharge into rivers		410	28	438	442	34	476	434	24	457
Sewerage		3,618	3,991	7,609	3,629	4,449	8,078	3,860	4,720	8,580

*1 Items covered by third-party assurance on pp.121 and 122 are marked with a ★.
*2 The scope of calculation (boundary) for group companies has been changed to include only all consolidated subsidiaries for FY2025. Up through FY2023 and FY2024, this encompasses all consolidated subsidiaries and Osaka Energy Service Co., Ltd.
*3 Calculations are made with reference to the Environmental Reporting Guidelines of the Ministry of the Environment. Additionally, in order to improve the accuracy of the data for FY2025 on a non-consolidated basis, we have changed the aggregation method to one based on the amount of invoice usage that is paid at once in one lump sum for the entire company.
For FY2023 and FY2024, the previous values are posted as is.

Fiscal 2025 environmental impact of business activities (consolidated)

Figures in [ ] are the non-consolidated amount of the consolidated figures.

INPUT (Energy usage)*1*2		
Total energy consumption (thousand GJ)*3	31,630★	[27,588★]
Electricity (billion kWh)	33.7	[30.6]
Kerosene (kl)	2,824	[2,743]
Gasoline (kl)	2,325	[809]
Propane gas (tons)	438	[426]
Diesel oil (kl)	32,931	[22,877]
Class A heavy oil (kl)	1,035	[352]
Utility gas (thousand m^3)	15,511	[1,947]

OUTPUT (Industrial waste)*1*2		
Used materials (facility construction) (thousand tons)	94.5	
Recycled volume (thousand tons)	89.8	
Recycled rate (%)	95.1	
Used materials (rolling stock) (thousand tons)	32.7	
Recycled volume (thousand tons)	32.2	
Recycled rate (%)	98.6	
Industrial waste*4 (thousand tons)	187.3★	[10.7★]
Of which is plastic industrial waste (thousand tons)*5	10.3	[5.7]
Hazardous waste (PCBs) (tons)	913	
Station and onboard garbage (thousand tons)	9.7	
Of which is recyclable (thousand tons)	3.0	
Recycled volume (thousand tons)	2.9	
Recycled rate (%)	99.3	
Amount of products provided that use specified plastics (tons)*6	50.2	[0]

*1 The scope of calculation (boundary) for group companies has been changed to include only all consolidated subsidiaries for FY2025. Up through FY2023 and FY2024, this encompasses all consolidated subsidiaries and Osaka Energy Service Co., Ltd.
*2 Input (energy usage) is calculated with reference to the Greenhouse Gas Emissions Calculation and Reporting Manual provided by the Ministry of the Environment and the Ministry of Economy, Trade and Industry and the Act on Rationalizing Energy Use and Shifting to Non-Fossil Energy. Output (industrial waste) is calculated with reference to the Waste Management and Public Cleansing Act (Waste Management Act).
*3 Total energy consumption is the sum of energy consumption for electricity, fuel, and heat consumption.
*4 Industrial waste refers to waste as defined by the Waste Management Act (waste discharged by businesses). It is calculated by summing the figures listed in manifests stipulated by the Waste Management Act.
Manifest: A management form that is required to be issued when outsourcing the transportation and treatment of waste to an outside company under the Waste Management Act. It gives the weight of the waste, the treatment method, and other information.
Group company output includes waste generated from construction work ordered by JR-West.
*5 The weight of mixed waste containing waste plastic and other waste that cannot be sorted into other types of waste is included in the total for plastic industrial waste. Group company output includes waste generated from construction work ordered by JR-West.
*6 The amount of products provided that use specified plastics is calculated from the total amount of target products provided in target industries under the Plastic Resource Circulation Act.

Non-financial data (human resources)

Non-financial data (human resources)

Category	Subcategory	Item	Unit		Results 2020	2021	2022	2023	2024	Remarks (scope of reporting, etc.)
Human resource cultivation		Total training hours	Hours	*1	-	355,531	454,914	1,371,701	1,714,143	Regular employees
Human resource cultivation		Training time per employee	Hours	*1	-	11.1	20.2	62.0	72.8	Regular employees
Human resource cultivation		Qualifications acquisition support	Persons	*1	397	670	544	2,164	3,223	
Human resource cultivation		Qualifications acquisition support	Thousand yen	*1	7,310	13,350	10,414	66,979	108,733	
Human resource cultivation		Training attendance rate of new managers	%	*1	100	100	100	100	100	Regular employees excluding healthcare workers
Human resource cultivation		Internal promotion rate of managers	%	*1	99.7	99.6	98.6	97.0	96.3	Regular employees excluding healthcare workers
Human resource cultivation		Internal promotion rate of executive officers, etc.	%	*1	97.3	97.3	97.7	98.0	98.0	
Human resource cultivation		Next-generation senior management human resource reserve ratio	%	*1	-	-	167	221	175	Candidate readiness rate for key positions
Diversity and inclusion	Employees	Full-time employees	Persons	*2	31,906	31,173	29,665	28,438	28,622	
Diversity and inclusion	Employees	Part-time employees	Persons	*2	333	426	511	596	655	Of these, 577 are senior (rehired) employees
Diversity and inclusion	Employees	Percentage of female employees	%	*2	14.4	14.8	14.8	15.2	15.3	
Diversity and inclusion	Employees	Percentage of employees rehired after retirement (senior employees)	%	*2	11.1	13.6	15.2	15.6	15.3	
Diversity and inclusion	Employees	Percentage of fixed-term contract employees	%	*2	5.0	3.8	3.0	2.2	2.1	
Diversity and inclusion	Employees	Percentage of mid-career hires	%	*2	11.8	12.9	13.8	16	16	Regular employees
Diversity and inclusion	Employees	Percentage of managers	%	*2	5.6	5.7	6.1	6.2	6.3	Regular employees
Diversity and inclusion	Employees	Percentage of women among managers	%	*2	2.3	2.3	2.3	2.8	3.3	Managers (excluding employees seconded from other companies, etc.) As of March 31, 2025: 3.9% (excluding employees seconded from other companies, etc.), 4.3% (including employees seconded from other companies, etc.)
Diversity and inclusion	Employees	Percentage of mid-career hires among managers	%	*2	4.3	4.3	4.2	4.5	5.1	Managers
Diversity and inclusion	Employees	Percentage of women in leadership positions	%	*2	3.2	3.9	4.6	5.4	6.2	Regular employees (excluding employees seconded from other companies, etc.) As of March 31, 2025: 6.8% (excluding employees seconded from other companies, etc.), 7.0% (including employees seconded from other companies, etc.)
Diversity and inclusion	Employees	Percentage of women in leadership positions (excluding managers)	%	*2	3.4	4.4	5.3	6.2	7.2	Regular employees (excluding employees seconded from other companies, etc.) As of March 31, 2025: 7.8% (excluding employees seconded from other companies, etc.), 8.0% (including employees seconded from other companies, etc.)
Diversity and inclusion	Employees	Number of career-track foreign employees	Persons	*2	9	11	11	10	21	Regular employees
Diversity and inclusion	Employees	FTE (full-time equivalent)	FTE	*2	32,109	31,420	29,953	28,768	29,393	Calculated based on standard working hours (7 hr. 45 min.)
Diversity and inclusion	Employees	Percentage of employees with disabilities	%	*3	2.85	2.83	2.86	2.94	2.89	Total including special subsidiary JR-West Iwill Co., Ltd.
Diversity and inclusion	Employees	Percentage of employees belonging to a labor union	%	*2	96.5	96.6	98.2	96.5	93.7	Regular employees
Diversity and inclusion	Employees	Percentage of employees covered by collective agreements	%	*2	96.4	96.6	98.2	96.5	93.7	Regular employees
Diversity and inclusion	Executives	Number of directors	Persons	*1	15	13	17	17	15	
Diversity and inclusion	Executives	Number of female directors	Persons	*1	1	1	2	3	3	
Diversity and inclusion	Executives	Percentage of women among directors	%	*1	6.7	7.7	11.8	17.6	20.0	
Diversity and inclusion	Executives	Number of outside directors	Persons	*1	5	5	8	8	7	
Diversity and inclusion	Executives	Percentage of outside directors among directors	%	*1	33.3	38.5	47.1	47.1	46.7	
Diversity and inclusion	Executives	Number of executives	Persons	*1	49	47	52	60	62	
Diversity and inclusion	Executives	Number of female executives	Persons	*1	3	3	4	5	8	
Diversity and inclusion	Executives	Percentage of women among executives	%	*1	6.1	6.4	7.7	8.3	12.9	

Category	Subcategory	Item	Unit		Results 2020	2021	2022	2023	2024	Remarks (scope of reporting, etc.)
Diversity and inclusion	Wages	Mean wage (men)	Thousand yen	*1	6,060	5,632	5,868	6,507	6,674	All employees including part-time employees
Diversity and inclusion	Wages	Mean wage (women)	Thousand yen	*1	4,359	4,209	4,552	5,203	5,461	All employees including part-time employees
Diversity and inclusion	Hiring and turnover	Number of new regular employees	Persons	*1	837	622	360	683	1,596	
Diversity and inclusion	Hiring and turnover	Number of new female regular employees	Persons	*1	212	191	113	132	234	
Diversity and inclusion	Hiring and turnover	Percentage of women among new regular employees	%	*1	24.7	29.7	31.4	19.3	14.6	
Diversity and inclusion	Hiring and turnover	Average cost of hiring per FTE	Thousand yen	*1	244	236	271	146	200	Excluding healthcare workers and managers
Diversity and inclusion	Hiring and turnover	Retention rate of new graduate hires (after 3 years)	%	*2	93	92	94	89	83	Regular employees excluding healthcare workers
Diversity and inclusion	Hiring and turnover	Retention rate of new graduate hires (after 5 years)	%	*2	89	91	88	82	81	Regular employees excluding healthcare workers
Diversity and inclusion	Hiring and turnover	Employee turnover rate	%	*1	-	5.3	6.1	5.7	5.0	
Diversity and inclusion	Hiring and turnover	Voluntary turnover rate	%	*1	-	2.4	2.6	2.3	1.9	
Diversity and inclusion	Childcare and nursing care	Number of employees taking childcare leave	Persons	*1	-	1,315	1,466	1,571	1,590	New postpartum partner leave available from October 2022
Diversity and inclusion	Childcare and nursing care	Number of men taking childcare leave	Persons	*1	-	572	756	869	901	New postpartum partner leave available from October 2022
Diversity and inclusion	Childcare and nursing care	Childcare leave utilization rate of male employees	%	*1	31.5	37.8	54.8	67.0	72.0	New postpartum partner leave available from October 2022
Diversity and inclusion	Childcare and nursing care	Return-to-work rate after childcare leave	%	*1	99.2	98.7		99.2	98.6	Regular employees
Diversity and inclusion	Childcare and nursing care	Retention rate of employees who came back after childcare leave	%	*1	-	92.8	98.4	98.6	98.4	
Diversity and inclusion	Childcare and nursing care	Number of employees using reduced working days system	Persons	*1	569	623	740	723	827	Employees can reduce the number of working days per month by 2, 4, or 8 days
Diversity and inclusion	Childcare and nursing care	Number of employees using short working hours system	Persons	*1	166	174	165	112	113	
Diversity and inclusion	Childcare and nursing care	Number of employees taking nursing care leave	Persons	*1	21	21	13	8	10	
Diversity and inclusion	Work style	Total actual hours worked per employee per year	Hours	*1	1743.3	1743.8	1726.2	1729.3	1720.7	Regular employees and senior (rehired) employees
Diversity and inclusion	Work style	Monthly average overtime hours per employee	Hours	*1	9.1	9.1	10.6	11.3	11.4	Regular employees and senior (rehired) employees
Diversity and inclusion	Work style	Annual paid leave utilization rate	%	*1	86.5	86.5	97.5	92.5	89.9	Regular employees and senior (rehired) employees
Work engagement ★	Group KPIs	Sense of fulfillment	Points	*1	-	-	-	6.2	6.3	
Work engagement ★	Group KPIs	Pride	Points	*1	-	-	-	5.7	6.1	
Work engagement ★	Group KPIs	Purpose	Points	*1	-	-	-	4.3	6.4	
Work engagement ★	Health	Percentage of employees who were found to have problems on regular health checks	%	*1	46.2	47.3	46.4★	46.4	47.7	
Work engagement ★	Health	Percentage of smokers	%	*1	23.2	22.8	22.3★	22.1	21.3	
Work engagement ★	Health	Percentage of heavy drinkers	%	*1	11.5	11.2	11.1★	10.7	6.0	
Work engagement ★	Health	Percentage of regular exercisers	%	*1	23.2	25.0	26.9★	26.5	34.6	
Work engagement ★	Health	Response rate to physician referrals based on regular health checks	%	*1	61.4	60.1	56.7★	57.6	58.0	
Work engagement ★	Health	Percentage of comprehensive health exam recipients	%	*1	43.4	46.8	48.7★	49.4	49.0	
Work engagement ★	Health	Percentage of specific health guidance recipients	%	*1	76.8	72.2	76.3★	77.1	73.3	
Work engagement ★	Health	Percentage of employees experiencing high stress	%	*1	4.9	5.0	5.5	6.0	5.8	
Work engagement ★	Health	Lively workplace rate	%	*4	80.0★	77.0	64.3★	60.0	70.7	

*1 As of March 31 of each fiscal year
*2 As of April 1 of each fiscal year
*3 As of June 1 of each fiscal year
*4 As of March 31 of each fiscal year. Percentage of workplaces whose overall health of the organization was "in activated state" in the stress check based on the new occupational stress brief questionnaire. This survey item was added in fiscal 2021.
★ Partially revised from the figures published last year.

Overview by business segment **Mobility**

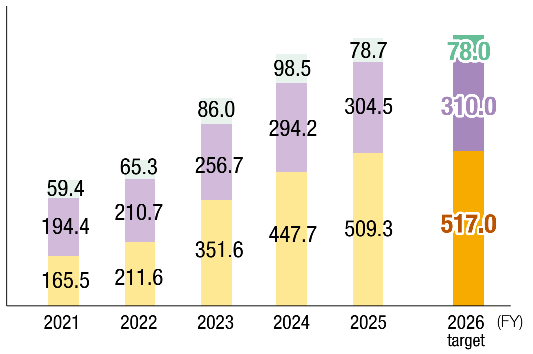
Besides our railway business, we operate other transportation services such as buses and ferries, as well as carry out railway-related construction work and building. The railway business covers a wide area of 18 prefectures, providing transportation between cities mainly with the Shinkansen and limited express trains on conventional lines, as well as transportation in urban areas such as Kyoto, Osaka, and Kobe, and in major regional cities such as Hiroshima and Okayama.

Strengths

Western Japan	● Has Kansai, Japan's second largest metropolitan area, and major cities including Hiroshima, Okayama, and Kanazawa ● JR-West's operating area contains a wealth of tourism resources
Transportation service quality	● Continually improving all facets of safety, from hardware and software to facilities such as stations, platforms, railcars, and railroad crossings ● Improving comfort in stations and railcars, promptly providing information in case of transportation disruptions ● Introducing railcars that meet a range of needs, such as sightseeing trains providing enjoyable trips and limited express trains for commuters
Convenience	● Expanding ICOCA IC card and ticketless services ● Providing JR-West Group cross-platform services such as the WESTER app for people on the move

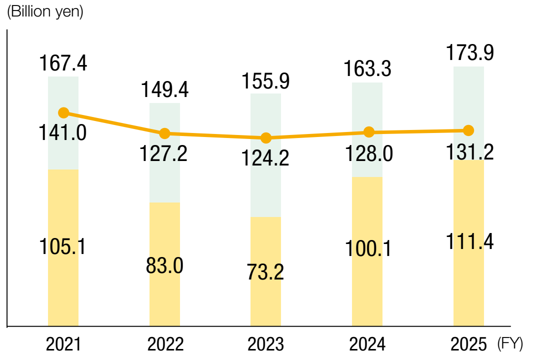
Performance

Transportation revenue



Note: Effective from fiscal 2022, JR-West has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020).

Capital expenditures (non-consolidated, own funds)



Review of business performance

Achievements of the Medium-Term Management Plan 2025 period

The Hokuriku Shinkansen line between Kanazawa and Tsuruga opened in March 2024, and we were able to increase the flow of passengers from the Tokyo metropolitan area to Hokuriku by creating a timetable that maximizes convenience and by implementing various sales operations. On the Sanyo Shinkansen, we made all seats on Nozomi trains reserved during busy periods, and this service change has allowed more customers to make reservations and be seated. This year, in order to fully capitalize on the demand generated by Expo 2025, we have not only operated the Expo Liner but also renovated Bentencho Station to enhance its convenience as an interchange station. In terms of cost, we are steadily implementing cost structure reforms while also allocating resources necessary for sustained operations, such as investments in safety, service equipment, and human capital.

Growth opportunities

Inbound transportation revenue reached a record high of 40.9 billion yen in fiscal 2025. For fiscal 2026, due to the increase in the number of visitors to Japan and the effects of Expo 2025, we are forecasting revenue of 48.5 billion yen, a significant increase over the previous year. Currently, the flow of inbound tourists tends to concentrate on the Tokyo-Kyoto-Osaka Golden Route, but we will strengthen our sales efforts to increase visits to western Japan, an area of abundant tourism resources.

In order to seize the opportunity presented by the opening of the Osaka integrated resort scheduled for 2030, we will look into extending the Sakurajima Line and increasing the convenience and appeal of Osaka through the Naniwasuji Line, which is scheduled to open in 2031.

Future challenges (response to risks)

A declining population means a shrinking workforce. In addition to saving labor and improving work safety through data-driven technological innovation, we aim to improve efficiency through collaboration with other companies and industries.

In order to minimize damage from large disasters, we will steadily implement earthquake-proofing for the entire Sanyo Shinkansen line. This is expected to cost about 300 billion yen over 30 years. We will also steadily make improvements on our conventional lines.

In addition, in order to ensure that our efforts are appropriately rewarded, we will keep on demanding the government to revise the fare system to make it more flexible and adaptable to inflation. We will also continue discussing with local residents to realize an optimal regional transportation system for local lines based on regional characteristics and needs.

Overview by business segment **Sales of goods and food services; department stores**

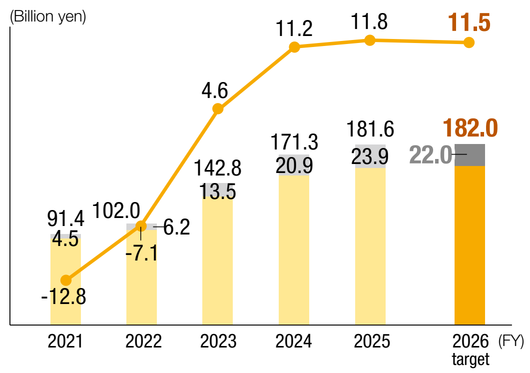
Besides operating a wide range of businesses, such as convenience stores and restaurants inside stations, and a department store, we have our Via Inn budget hotel chain throughout western Japan and are expanding it into other regions. We continue to improve our capabilities to respond meticulously to customers' everyday needs so that we can help everyone attain a pleasant, convenient, and abundant life.

Strengths

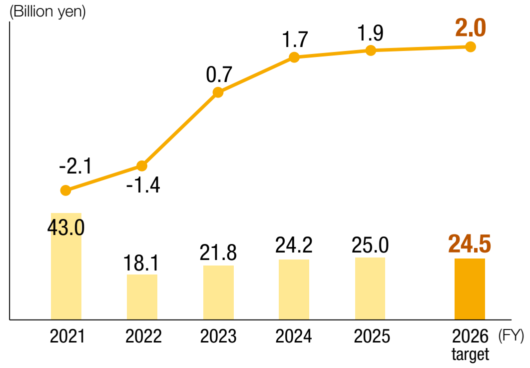
Businesses in or close to stations	● Operating a variety of stores in a variety of business sectors in and around stations, which attract a diverse range of customers ● Via Inn hotels are located within a 5-minute walk of terminal stations in major cities around Japan ● JR Kyoto Isetan attracts customers from a wide area, leveraging its proximity to western Japan's foremost terminal station, Kyoto Station
Operational know-how	● Planning and selling of products and services that meet diverse needs based on locational features ● Know-how for operating stores inside stations, including prompt serving of customers, creating shops in limited spaces, safety, etc.

Performance

Sales of goods and food services



Department store



Note: Effective from fiscal 2022, JR-West has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020).
Effective from fiscal 2020, we changed how we record revenue in the retail business due to a change in how we conclude contracts with station shop tenants.

Review of business performance

Achievements of the Medium-Term Management Plan 2025 period

Based on the structural reforms we have been pursuing, we have demonstrated our ability to adapt to change, and we have significantly improved profit margins by increasing unit prices and improving operational efficiency in the convenience store business, developing a sales framework for the gift shop business based on railway usage forecasts, and product merchandising. In order to build momentum for Expo 2025 and capitalize on it as an opportunity to make further progress, we held events at Osaka Station and opened a store at the Expo venue, which was well received.

Growth opportunities

With regard to the food services business, we opened the first franchise store at JR Kyoto Station's west exit in partnership with Starbucks. Looking at Via Inn, we are working to improve the quality of our offerings and strengthen competitiveness by rebranding to "Prime," reviewing our membership program, and opening the new Via Inn Prime Sapporo Odori. Our department store is located in Kyoto, a popular destination among visitors to Japan, and we will continue to improve sales spaces to steadily capture increasing demand from the growing number of foreign visitors.

Future challenges (response to risks)

We will secure human resources and improve retention rates as we develop human resources for continued growth, including the further expansion of franchise stores. We will continue to create value by effectively renovating frequently used convenience stores in train stations and our existing Via Inns.

Overview by business segment

Real estate lease and sales; shopping centers

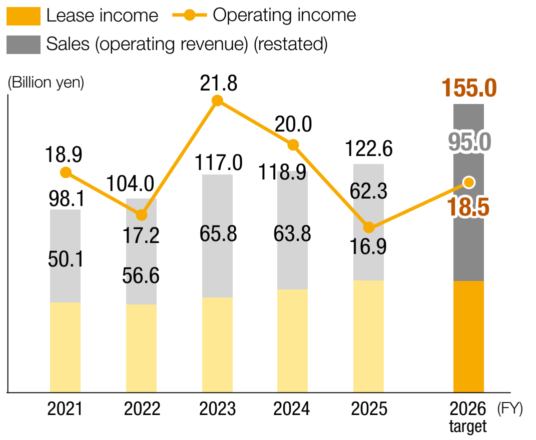
Our real estate business concentrates on stations and along train lines, operating station buildings and shopping centers, leasing real estate, and selling condominiums. We contribute to progress along train lines and throughout communities with city development that meets the needs of changing lifestyles and that makes people want to come to live or visit.

Strengths

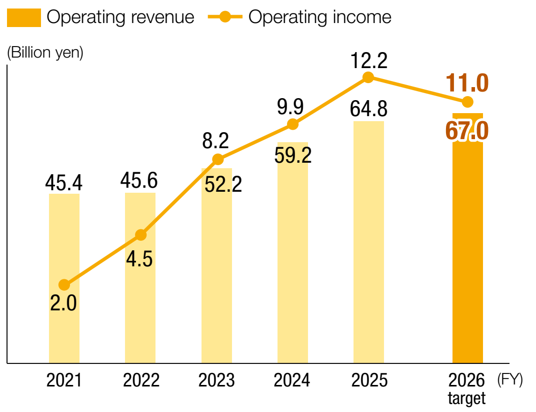
Development mainly in and around stations, which function as community hubs	• Development in and around stations, which are community hubs, mainly in western Japan • Contributing to attractive urban development by providing functions that utilize the characteristics of the station or the location and via tenant leasing • Steady and continuous redevelopment utilizing the JR-West Group's assets
Development know-how and track record built up through years of city development	• Contributing to regional advancement as a reliable developer and as the No. 1 platform provider in the region

Performance

Real estate lease and sales



Shopping centers



Note: Effective from fiscal 2022, JR-West has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020).

Review of business performance

Achievements of the Medium-Term Management Plan 2025 period

The large-scale Osaka and Hiroshima projects have been completed. As part of the Osaka project, we opened the well-received Barchica 03 in Inogate Osaka, which has a variety of unique stores. With regard to office leasing, we are maintaining rent levels and progressing with a contract rate that exceeds our expectations.

In order to meet the needs of the local community, the Hiroshima project welcomed the first tenants in Chugoku and Shikoku as well as opened branches of famous local stores. With the addition of a streetcar line extension inside the station building, traffic within the prefecture and the city is increasing, and the shopping center business is performing well.

Growth opportunities

We will pursue real estate development in a way unique to the JR-West Group by developing and selling housing in conjunction with station improvements in Nishi-Akashi, Mukomachi, and other areas. With the launch of JR West Private REIT, Inc. and the establishment of JR West Real Estate Management Co., Ltd. to enhance real estate management, we will accelerate the expansion of assets that can be managed by the Group while strengthening real estate asset management and improving asset efficiency.

In the shopping center business, we aim to generate vibrancy and increase profits through the development of the Osaka Station South Gate Building.

Future challenges (response to risks)

In the real estate lease and sales business, the profitability of new projects may deteriorate due to rising construction costs. We will review development plans based on project profitability, examine our real estate portfolio in the face of rising interest rates, and improve asset efficiency, such as through the use of private REITs.

In the shopping center business, although the e-commerce market is expanding, we will promote the appeal of in-store shopping and services and strengthen our customer base by utilizing WESTER.

Overview by business segment

Hotels; travel and regional solutions

Hotels

The hotel business provides comfortable stays to meet a widening range of guest needs.

Strengths

Connected to or adjacent to stations	• Locations in or next to major JR-West stations for maximum comfort and convenience for a wide range of hotel guests • Business leverages economy of scale of JR-West and JR Hotel Group

Travel and regional solutions

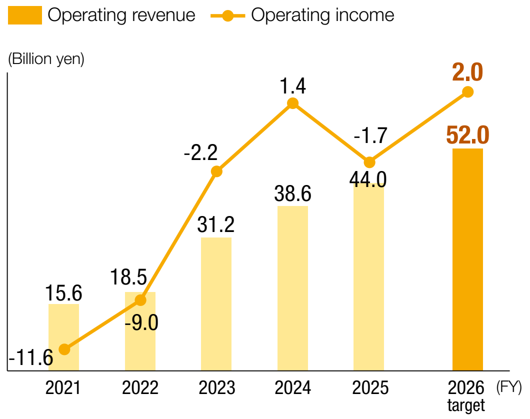
We are transforming our travel business so that it goes beyond the standard boundaries of the travel industry and becomes a broader solutions business at the core of what JR-West offers to society.

Strengths

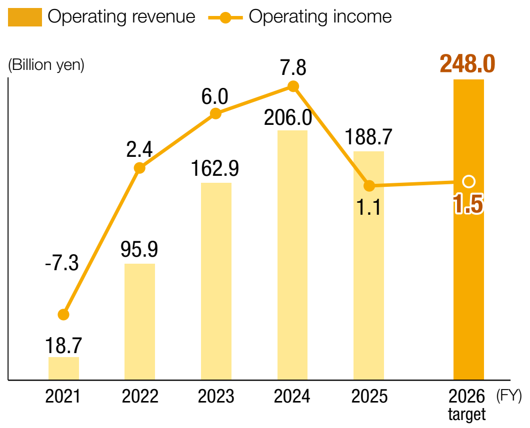
Trust and knowhow built up over the years	• Founded in 1905, the country's oldest tourism company and a driver of Japan's travel industry • Wealth of knowhow in the tourism industry (sales, solutions, operations)
Diverse network and customer contact points	• Extensive sales channels: offices all over Japan and other countries, online • Relationships with JR-West and regional partners

Performance

Hotels



Travel and regional solutions



Note: Effective from fiscal 2022, JR-West has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020).

Review of business performance

Achievements of the Medium-Term Management Plan 2025 period

The accommodation division of our hotel business was able to generate revenues that exceeded pre-pandemic levels due to the strong influx of individual customers, especially inbound travelers, and measures to improve service and raise unit prices.

In the travel and regional solutions business, we used the pandemic as an opportunity to launch a solutions business in addition to our existing tourism business, and we aimed to acquire new sources of revenue by taking on contract services, such as for vaccine administration.

Growth opportunities

In the hotel business, we opened The Osaka Station Hotel, Autograph Collection (a brand affiliated with Marriott) and Hotel Granvia Hiroshima South Gate. Since hotels play an important role in urban development in terms of location and convenience, we will use our hotels to increase the value of Osaka and Hiroshima, the regions in which our large-scale projects are located and to capture newly created demand.

Our travel and regional solutions business will tap into changes in social behavior to expand online sales and pursue initiatives to realize digital tourism.

Future challenges (response to risks)

In the hotel business, many competing hotels have opened in the Kyoto and Osaka areas in recent years, making it a challenge to attract customers and to secure excellent human resources. Through brand-building efforts such as the development of The Osaka Station Hotel and Hotel Granvia Hiroshima South Gate, we aim to improve job satisfaction in conjunction with personal careers through a virtuous cycle of improving brand power and human resource development and retention.

In the travel and regional solutions business, travel needs and styles have changed significantly following the pandemic. We aim to provide products and services that can meet changing needs.

11-year financial summary

Years ended March 31

Unit: Billion yen

	2015	2016	2017	2018 [10]	2019	2020	2021	2022 [11]	2023	2024 [12]	2025
Consolidated balance sheets											
Total assets	2,786.4	2,843.1	3,007.8	3,071.8	3,237.5	3,275.2	3,479.4	3,702.4	3,735.5	3,777.9	**3,752.3**
Total liabilities	1,939.7	1,916.8	1,975.2	1,955.5	2,057.7	2,052.1	2,523.4	2,628.2	2,591.1	2,552.9	**2,472.1**
Net assets	846.7	926.3	1,032.6	1,116.3	1,179.8	1,223.1	956.0	1,074.2	1,144.3	1,224.9	**1,280.1**
Consolidated statements of income											
Operating revenue (revenue from third parties)	1,350.3	1,451.3	1,441.4	1,500.4	1,529.3	1,508.2	898.1	1,031.1	1,395.5	1,635.0	**1,707.9**
Transportation	868.4	928.7	929.1	950.8	953.9	933.4	476.8	544.1	750.3	—	**—**
Mobility										986.4	**1,046.7**
Retail	220.1	232.0	233.9	239.8	245.5	226.0	142.2	124.2	169.4	197.0	**208.2**
Real estate	87.2	108.8	109.5	139.6	148.5	165.1	145.7	151.1	170.0	217.7	**232.6**
Travel and regional solutions [13]	[42.5]	[41.6]	[42.0]	[41.3]	[40.5]	[42.3]	[18.7]	[95.9]	[162.9]	206.0	**188.7**
Other businesses	174.4	181.5	168.8	170.0	181.3	183.6	133.3	211.5	305.6	27.8	**31.4**
Operating income	139.7	181.5	176.3	191.3	196.9	160.6	(245.5)	(119.0)	83.9	179.7	**180.1**
Transportation	100.6	125.1	121.7	130.3	136.2	105.3	(252.1)	(144.3)	24.4	—	**—**
Mobility										114.4	**122.5**
Retail	1.5	5.3	5.2	7.2	6.1	3.8	(15.0)	(8.6)	5.6	13.0	**13.8**
Real estate	25.1	32.7	32.2	35.7	35.6	34.9	29.2	30.0	36.7	40.6	**38.9**
Travel and regional solutions [13]	[0.6]	[0.4]	[0.6]	[0.2]	[0.2]	[1.0]	[(7.3)]	[2.4]	[6.0]	7.8	**1.1**
Other businesses	15.6	22.4	20.4	19.9	21.2	19.7	(5.1)	2.9	17.2	4.2	**4.1**
Recurring profit	121.9	162.2	160.7	177.7	183.3	148.3	(257.3)	(121.0)	73.6	167.3	**165.6**
Profit attributable to owners of parent	66.7	85.8	91.2	110.4	102.7	89.3	(233.2)	(113.1)	88.5	98.7	**113.9**
Consolidated statements of cash flows											
Cash flows from operating activities	223.6	259.8	234.1	275.1	289.7	240.1	(103.2)	(86.4)	273.9	318.3	**281.4**
Cash flows from investing activities	(212.9)	(233.2)	(295.8)	(166.3)	(247.4)	(268.6)	(211.6)	(188.7)	(214.9)	(243.6)	**(263.1)**
Cash flows from financing activities	1.6	(31.3)	44.3	(71.4)	(7.1)	(29.1)	446.7	384.6	(88.7)	(131.6)	**(126.1)**
Key management indicators (consolidated)											
Return on total assets (ROA) (%) [1]	5.1	6.4	6.0	6.3	6.2	4.9	(7.3)	(3.3)	2.3	4.8	**4.8**
Return on equity (ROE) (%) [2]	8.4	10.2	10.0	11.3	9.8	8.1	(23.7)	(12.4)	8.8	9.2	**10.1**
Equity ratio (%)	28.8	30.9	31.3	33.2	33.3	34.1	24.5	26.2	27.7	29.3	**30.8**
Interest-bearing debt balance (consolidated)	1,008.5	1,005.0	1,042.3	1,038.0	1,073.2	1,035.7	1,570.8	1,728.8	1,662.9	1,563.4	**1,529.6**
Net interest-bearing debt / EBITDA [3]	3.3	2.8	2.9	2.7	2.7	2.9	(19.2)	32.8	5.6	3.9	**4.0**
Debt-equity ratio (times) [4]	1.3	1.1	1.1	1.0	1.0	0.9	1.8	1.8	1.6	1.4	**1.3**
EBITDA (¥ billion) [5]	289.3	338.1	339.1	356.1	361.3	332.2	(70.8)	42.9	243.6	343.0	**349.5**
Earnings (net income) per share (EPS) (¥) [14]	172.29	221.77	235.76	285.36	266.66	233.44	(609.86)	(258.03)	181.63	202.63	**240.08**
Book-value (net assets) per share (BPS) (¥) [6, 14]	2,069.33	2,267.15	2,428.75	2,636.71	2,806.32	2,923.64	2,230.37	1,986.58	2,122.57	2,268.88	**2,458.45**
Dividend per share (¥) [14]	62.5	67.5	70	80	87.5	91.25	50	50	62.5	71	**84.5**
Payout ratio (%)	36.3	30.4	29.7	28.0	32.8	39.1	—	—	34.4	35.0	**35.2**
Total return ratio (%) [7]	—	—	—	—	42.5	50.3	—	—	34.4	35.0	**78.8**
Dividend on equity (DOE) (%) [8]	3.1	3.1	3.0	3.2	3.2	3.2	1.9	2.4	3.0	3.2	**3.6**
Rate of total distribution on net assets (%) [9]	3.1	3.1	3.0	3.2	4.2	4.1	1.9	2.7	3.0	3.2	**7.9**
Other items											
Depreciation and amortization (consolidated)	149.5	156.6	162.7	163.5	163.1	170.4	173.4	160.8	159.6	163.3	**169.3**
Capital expenditures (consolidated)	225.6	233.1	192.4	169.4	245.3	254.5	216.6	213.1	214.6	248.9	**272.4**
Capital expenditures (non-consolidated)	186.4	198.7	159.8	127.8	190.9	176.2	167.4	149.4	155.9	163.3	**173.9**
(Restated) Safety-related investment	90.2	126.0	105.0	83.2	125.2	116.1	105.1	83.0	73.2	100.1	**111.4**
Number of employees at work (consolidated; as of March 31)	47,565	47,456	47,382	47,869	47,842	48,323	47,984	46,779	44,897	44,366	**45,450**
Number of employees at work (non-consolidated; as of March 31)	26,886	26,555	25,821	25,291	24,866	24,439	23,900	22,715	21,727	21,314	**21,665**

Unit: Billion yen

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total transportation revenue	797.0	850.0	849.6	867.8	873.4	856.8	419.4	487.6	694.5	840.5	**892.6**
Shinkansen	375.9	437.2	434.6	447.7	457.0	441.2	165.5	211.6	351.6	447.7	**509.3**
Kansai urban area	296.2	302.2	305.0	309.0	308.1	307.5	194.4	210.7	256.7	294.2	**304.5**
Other lines	124.8	110.5	110.0	111.0	108.2	108.1	59.4	65.3	86.0	98.5	**78.7**

1 Return on total assets (ROA) = operating income / [(total assets at the end of the previous fiscal year + total assets at the end of the fiscal year under review) / 2]
2 Return on equity (ROE) = net income / [(equity at the end of the previous fiscal year + equity at the end of the fiscal year under review)/2]
3 Net interest-bearing debt / EBITDA = (interest-bearing debt – cash and deposits) / (operating income (after enterprise tax readjustment) + depreciation expense + amortization of goodwill)
4 Debt-equity ratio = long-term debt and payables / total shareholders' equity
5 EBITDA = operating income (after enterprise tax readjustment) + depreciation expense + amortization of goodwill
6 Book-value (net assets) per share (BPS) = equity at the end of the fiscal year under review / number of shares at the end of the fiscal year under review
7 Total return ratio = (total dividends + acquisitions of treasury stock) / net income
8 Dividend on equity (DOE) = dividend per share / [(BPS at the end of the previous fiscal year + BPS at the end of the fiscal year under review) / 2]
9 Rate of total distribution on net assets = (total dividends + acquisitions of treasury stock) / [(Equity at the end of the previous fiscal year + Equity at the end of the fiscal year under review) / 2]
10 From the fiscal year ended March 31, 2018, accompanying partial amendments to the Accounting Standard for Tax Effect Accounting, the method of offsetting deferred tax assets and deferred tax liabilities in the "Assets" and "Liabilities" sections has been changed.
11 Effective from the fiscal year ended March 31, 2022, JR-West has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020).
12 Segment classification was changed in the fiscal year ended March 31, 2024.
13 Up until the fiscal year ended March 31, 2023, the travel and regional solutions figures are included in other businesses. These figures are restated in brackets [ ].
14 JR-West conducted a stock split on April 1, 2024 at a ratio of 1 common stock to 2 shares. Earnings per share (EPS), book-value per share (BPS), and dividends per share are calculated based on the number of shares after the split.

Note: For the consolidated statements of income, the record-high values are highlighted in yellow.

Financial statements

Consolidated balance sheets

Unit: Million yen

	Prior consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Assets		
Current assets		
Cash and deposits	233,465	**125,617**
Notes and accounts receivable-trade	58,437	**58,412**
Railway fares receivable	52,676	**54,263**
Accounts receivable	114,129	**111,712**
Securities	—	**5**
Inventories	160,631	**181,157**
Other current assets	82,161	**86,819**
Less allowance for doubtful accounts	(537)	**(680)**
Total current assets	700,963	**617,309**
Non-current assets		
Property, plant, and equipment		
Buildings and structures	1,236,295	**1,332,567**
Machinery and transport equipment	414,075	**423,157**
Land	806,288	**821,859**
Construction in progress	122,667	**78,200**
Other property, plant, and equipment	54,097	**57,438**
Total property, plant, and equipment	2,633,423	**2,713,223**
Intangible assets	46,490	**50,623**
Investments and other assets		
Investments in securities	127,931	**138,844**
Net defined benefit asset	4,564	**6,216**
Deferred tax assets	209,312	**170,879**
Other investments and assets	60,497	**60,295**
Less allowance for doubtful accounts	(3,306)	**(5,032)**
Total investments and other assets	398,999	**371,204**
Total non-current assets	3,078,913	**3,135,050**
Deferred assets		
Share issuance cost	196	—
Total deferred assets	196	—
Total assets	3,780,073	**3,752,359**

Unit: Million yen

	Prior consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	59,894	**65,982**
Short-term loans payable	19,298	**17,543**
Current portion of bonds	60,000	**55,500**
Current portion of long-term loans payable	77,130	**81,880**
Current portion of long-term payables for acquisition of railway properties	1,327	**1,416**
Accounts payable	163,458	**169,562**
Accrued consumption tax	25,326	**7,060**
Accrued income tax	13,422	**15,106**
Inter-line fares received	4,147	**6,603**
Deposits received	131,092	**126,900**
Prepaid railway fares received	38,339	**40,824**
Advances received	37,512	**27,743**
Allowance for bonuses	36,251	**39,365**
Allowance for loss on disaster	2,575	**908**
Other current liabilities	40,398	**42,155**
Total current liabilities	710,175	**698,552**
Non-current liabilities		
Bonds	799,994	**789,996**
Long-term loans payable	519,855	**498,375**
Long-term payables for acquisition of railway properties	96,108	**94,692**
Deferred tax liabilities	1,807	**2,369**
Allowance for large scale renovation of Shinkansen infrastructure	33,333	**37,500**
Allowance for environmental safety measures	2,255	**1,613**
Allowance for loss on liquidation of railway belts	30,292	**30,047**
Net defined benefit liability	211,647	**170,623**
Other long-term liabilities	147,491	**148,422**
Total non-current liabilities	1,842,786	**1,773,641**
Total liabilities	2,552,961	**2,472,194**
Net assets		
Total shareholders' equity		
Common stock	226,136	**226,136**
Capital surplus	183,939	**184,031**
Retained earnings	694,619	**720,754**
Treasury stock, at cost	(1,262)	**(1,271)**
Total shareholders' equity	1,103,433	**1,129,650**
Valuation and translation adjustments		
Net unrealized holding gain on securities	6,569	**6,531**
Deferred gains or losses on hedges	130	**228**
Remeasurements of defined benefit plans	(2,087)	**20,243**
Total valuation and translation adjustments	4,613	**27,003**
Non-controlling interests	119,064	**123,511**
Total net assets	1,227,111	**1,280,165**
Total liabilities and net assets	3,780,073	**3,752,359**

Consolidated statement of income

Unit: Million yen

	Prior consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)
Operating revenue	1,635,023	**1,707,944**
Operating expenses		
Transportation, other services and cost of sales	1,239,576	**1,289,761**
Selling, general, and administrative expenses	215,698	**238,021**
Total operating expenses	1,455,275	**1,527,783**
Operating income (loss)	179,748	**180,161**
Non-operating revenue		
Interest income	57	**65**
Dividend income	879	**1,289**
Dividends income of insurance	1,549	**1,538**
Transfer from administrative fee of contracted construction	1,472	**1,829**
Equity in earnings of affiliates	1,379	**1,616**
Other	4,638	**4,009**
Total non-operating revenue	9,977	**10,349**
Non-operating expenses		
Interest expense	20,101	**19,511**
Other	2,241	**5,328**
Total non-operating expenses	22,343	**24,839**
Recurring income (loss)	167,382	**165,670**
Extraordinary profits		
Gain on sale of non-current assets	4,066	**3,459**
Gain on contributions received for construction	17,105	**16,965**
Compensation income for expropriation	4,514	**2,583**
Other	5,218	**1,703**
Total extraordinary profits	30,904	**24,711**
Extraordinary losses		
Loss on deduction of contributions received for construction from acquisition costs of property, plant, and equipment	16,310	**11,928**
Loss on reduction for expropriation	4,370	**1,100**
Impairment loss	4,556	**5,435**
Loss on disaster	2,785	**2,251**
Provision of allowance for loss on liquidation of railway belts	15,000	**—**
Other	10,082	**5,179**
Total extraordinary losses	53,105	**25,894**
Profit (loss) before income taxes	145,182	**164,487**
Income taxes – Current	17,102	**17,072**
Income taxes – Deferred	23,700	**28,810**
Total income taxes	40,803	**45,882**
Profit (loss)	104,379	**118,604**
Profit attributable to non-controlling interests	5,617	**4,645**
Profit (loss) attributable to owners of parent	98,761	**113,958**

Consolidated statement of comprehensive income

Unit: Million yen

	Prior consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)
Profit (loss)	104,379	**118,604**
Other comprehensive income		
Valuation difference on available-for-sale securities	5,794	**169**
Deferred gains or losses on hedges	143	**108**
Remeasurements of defined benefit plans, net of tax	(373)	**22,269**
Share of other comprehensive income of associates accounted for using equity method	109	**62**
Total other comprehensive income	5,673	**22,608**
Comprehensive income	110,052	**141,212**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	103,670	**136,348**
Comprehensive income attributable to non-controlling interests	6,382	**4,864**

Consolidated statement of cash flows

Unit: Million yen

	Prior consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit (loss) before income taxes	145,182	**164,487**
Depreciation and amortization	163,322	**169,352**
Impairment loss	4,556	**5,435**
Loss on deduction of contributions received for construction from acquisition costs of property, plant, and equipment	16,310	**11,928**
Loss on disposal of property, plant, and equipment	5,601	**5,974**
Gain (loss) on sales of non-current assets	(3,594)	**(3,305)**
Increase (decrease) in liability for retirement benefits	(13,459)	**(10,010)**
Increase (decrease) in allowance for doubtful accounts	(1,533)	**1,868**
Increase (decrease) in provision for employees' bonuses	6,705	**3,124**
Increase (decrease) in allowance for large-scale renovation of Shinkansen infrastructure	4,166	**4,166**
Increase (decrease) in other provisions	14,806	**(2,571)**
Interest and dividend income	(937)	**(1,355)**
Interest expense	20,101	**19,511**
Equity in earnings of affiliates	(1,379)	**(1,616)**
Proceeds from contribution for construction	(17,105)	**(16,965)**
Decrease (increase) in notes and accounts receivable-trade	(9,117)	**(14,499)**
Decrease (increase) in inventories	(6,492)	**(15,971)**
Increase (decrease) in notes and accounts payable-trade	24,688	**3,904**
Decrease/increase in consumption taxes receivable/payable	1,837	**(18,264)**
Other	944	**9,644**
Subtotal	354,603	**314,838**
Interest and dividends income received	934	**1,334**
Interest paid	(19,939)	**(19,288)**
Income taxes paid	(17,283)	**(15,453)**
Net cash provided by operating activities	318,314	**281,431**
Cash flows from investing activities		
Purchases of property, plant, and equipment	(249,352)	**(283,245)**
Proceeds from sales of property, plant, and equipment	4,964	**22,011**
Contributions received for constructions	23,325	**15,631**
Purchases of investments in securities	(22,327)	**(10,164)**
Proceeds from sales of investments in securities	1,422	**120**
Net decrease (increase) in loans receivable	3,561	**(1,235)**
Other	(5,245)	**(6,230)**
Net cash used in investing activities	(243,651)	**(263,112)**
Cash flows from financing activities		
Net increase (decrease) in short-term loans	1,508	**114**
Proceeds from long-term loans	39,500	**66,800**
Repayments of long-term loans	(39,550)	**(83,530)**
Proceeds from issuance of bonds	—	**45,500**
Redemption of bonds	(100,000)	**(60,000)**
Payment of long-term payables for acquisition of railway properties	(1,245)	**(1,327)**
Purchases of treasury stock	(1)	**(50,002)**
Cash dividends paid	(32,290)	**(38,001)**
Dividends paid to non-controlling interests	(300)	**(152)**
Other	759	**(5,565)**
Net cash (used in) provided by financing activities	(131,620)	**(126,165)**
Net increase (decrease) in cash and cash equivalents	(56,956)	**(107,846)**
Cash and cash equivalents at the beginning of the period	289,893	**233,218**
Increase in cash and cash equivalents from newly consolidated subsidiary	282	**—**
Cash and cash equivalents at end of year	233,218	**125,371**