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West Japan Railway Company

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Securities Code: 9021

<https://www.westjr.co.jp>

The corporate governance of West Japan Railway Company (the “Company”) is described below.

## **I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information**

### **1. Basic views-**

West Japan Railway Group (the “Group”) has been making continuous efforts to contribute to the creation of a safe and prosperous society. With safety as its foundation, providing infrastructure services, with points of contact with many customers, and ties with local communities, the Group believes that it can play a role in contributing to the creation of a future society by addressing social issues and “evolving our ties.” The Group will create social and economic value through our business activities in line with “Our Purpose” for this vision.

Based on “Our Purpose,” “Corporate Philosophy,” and “Safety Charter,” the Company will continue to make constant efforts to improve railway safety, fulfill its corporate social responsibility, and strive for sustainable development.

In order to realize these objectives, the Company 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 stakeholders including shareholders. Furthermore, from the perspective of improving transparency, soundness and efficiency of business operations, the Company, 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 as well as facilitating prompt decision-making and flexible execution of operations.

### **[Reasons for non-compliance with the principles of the Corporate Governance Code]**

#### **Principle 1.4 Cross-Shareholdings**

##### **1. Policy for cross-shareholding**

To achieve sustainable growth of the business aiming at an increase in the corporate value of the Group over the medium- to long-term, the Company believes that it is important to strive for the maintenance and strengthening of relationships with clients or suppliers which may contribute to such growth. Therefore, the Company acquires and holds shares of the relevant client and supplier companies, comprehensively taking into account matters including a synergetic effect on the businesses of the Group.

With regard to holding such shares, the Company examines whether such holding may contribute to the increase of corporate value from the perspectives of medium- to long-term economic rationale and

relationships between the client or supplier and the businesses of the Group, and it confirms with the Board of Directors concerning the objective and rationality of holding such shares.

## 2. Criteria for exercise of voting rights

The Company exercises voting rights based on judgments from such perspectives as contributions to the businesses of the Group through the investees' sustainable growth and such.

## 3. Disclosure of details of examination of whether or not the holding is appropriate and specific criteria for exercise of voting rights

The Company comprehensively judges whether or not the holding is appropriate, by individual issues based on the above policy. At its meeting of the Board of Directors held in June 2023, the Company confirmed the rationality of holding its shares held as of March 31, 2023, upon having examined individual holdings with respect to factors such as operating results, returns associated with the holdings, synergetic effects, and risk, from the perspectives of medium- to long-term economic rationale and relationships between the client or supplier and the businesses of the Group.

Moreover, for preparation and disclosure of the criteria for exercise of voting rights, the Company also considers that the above criteria are adequate.

The proportion of listed stocks held by the Company to assets is insignificant.

## 4. Response to the holding of the Company's shares

In the event that a company, etc. that holds the Company's shares for the purpose of cross-shareholding indicates intention to sell those shares, the Company will not carry out any actions to hinder this sale, such as by implying a reduction of business transactions, etc.

### **[Disclosure based on the principles of the Corporate Governance Code] [Updated]**

#### Principle 1.7 Related Party Transactions

To ensure that transactions with related parties do not harm the interests of the Company and the common interests of shareholders and to prevent any concerns with regard to such harm, the Company complies with the procedures prescribed in the Companies Act of Japan with regard to the competitive transactions and conflicting interest transactions (self-dealing and indirect transactions) between the Company and its Directors.

#### Supplementary principle 2.4.1 Approach to Ensure Diversity in Middle Management Positions, Etc.

Please refer to "III.3. Measures to ensure due respect for stakeholders" of this report.

#### Principle 2.6 Roles of Corporate Pension Funds as Asset Owners

The Company has not introduced a corporate pension fund plan, etc. or corresponding plan.

#### Principle 3.1 Full Disclosure

1. The Company discloses and releases Our Purpose, Corporate Philosophy, Safety Charter, Long-Term Vision, and the Medium-Term Management Plan on its website, etc.

Our Purpose, Corporate Philosophy, Safety Charter

URL: <https://www.westjr.co.jp/global/en/about-us/>

Long-Term Vision and Medium-Term Management Plan

URL: <https://www.westjr.co.jp/global/en/ir/medium-term/>

2. Basic policy for Corporate Governance is as per "I.1. Basic views" above.

3. Remuneration, etc. for Directors are as described in the accompanying “Disclosure of policy for determining remuneration amounts or calculation methods thereof.”
4. As for the policy for nomination of Directors, the Company nominates them based on the selection criteria concerning high ethical standards, respect from others, dignity and managerial capability in accordance with the following procedures.

In the formulation of the policy for nomination and actual cases of nomination based on that policy, the Company ensures objectivity, fairness and trustworthiness of nomination by making the relevant matters subject to deliberation by the Personnel and Remuneration Advisory Committee prior to the resolution of the Board of Directors.

- (1) The Company appoints and dismisses Representative Directors based on laws, regulations and the Regulations of the Board of Directors, and the President and Representative Director proposes candidates for Representative Directors from among Directors (excluding Directors who are Audit and Supervisory Committee Members), with such matters resolved by the Board of Directors.
- (2) The President and Representative Director proposes candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) to be recommended to the General Meeting of Shareholders based on the selection criteria established by the Board of Directors, and the nomination of candidates is approved by resolution of the Board of Directors.
- (3) The President and Representative Director proposes candidates for Directors who are Audit and Supervisory Committee Members to be recommended to the General Meeting of Shareholders upon consent by the Audit and Supervisory Committee, and the nomination of candidates is approved by resolution of the Board of Directors.

The Audit and Supervisory Committee gives such consent in accordance with the criteria for consent to the selection of Audit and Supervisory Committee Members established by the Audit and Supervisory Committee.

5. For explanation in line with the appointment and dismissal of Directors, such matters as brief history, position and status of important concurrent positions as well as reasons for the appointment and dismissal of each candidate are described in the “Reference Document for the General Meeting of Shareholders.”

#### Supplementary principle 3.1.3 Disclosure of Initiatives on Sustainability, Etc.

The Group discloses information about the value that we deliver to society and our efforts to realize it such as initiatives for sustainability including measures to address climate change and issues in terms of respecting human rights, and investment in human capital and intellectual property, in the “West Japan Railway Group Integrated Report,” and on the Company’s website and elsewhere.

Particularly, as for the measures to address climate change, the Group has formulated the long-term environmental goal “JR West Group Zero Carbon 2050” in April 2021, and declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has implemented information disclosure based on the said recommendations.

“West Japan Railway Group Integrated Report”

<https://www.westjr.co.jp/global/en/ir/library/annual-report/2021/>

The Company’s website (Initiatives for Sustainability) (in Japanese only)

<https://www.westjr.co.jp/company/action/>

Information Disclosure based on the TCFD recommendations

<https://www.westjr.co.jp/global/en/about-us/csr/environment/pdf/TCFD.pdf>

#### Supplementary principle 4.1.1 Scope of Matters Delegated to the Management by the Board of Directors

To facilitate prompt decision-making and flexible business execution in line with the transition to a company with Audit and Supervisory Committee in June 2022, the Company has carried out significant

delegation of decision-making authority from the Board of Directors to executive directors. The specific content has been established in the Regulations of the Board of Directors.

In addition to matters prescribed in laws and regulations and the Articles of Incorporation, the regulations establish the basic policy and strategies related to management of the entire Group and important matters related to group management, etc. as matters to be resolved by the Board of Directors.

The regulations also establish certain criteria for matters for consultation where the medium- to long-term management policy and strategies and important business challenges are discussed, as well as matters to be reported including the status of execution of business operations and corporate ethics, thereby making continuous efforts to further improve discussions on strategies, etc. at the Board of Directors and enhance monitoring and supervision of corporate management.

#### Principle 4.9 Independence Standards and Qualification for Independent Directors

The Board of Directors of the Company has established the criteria for independence to invite external officers who are able to carry out highly effective monitoring and supervision from an objective standpoint independent from the Company.

##### 1. Person related to the Group

- (1) The relevant person is not currently or was not in any of the past ten fiscal years an executive (meaning a person who executes business as an executive director, corporate officer, executive officer or other employee; hereinafter the same) of the Company or its subsidiary (hereinafter referred to as the “Group Company”).
- (2) A relative within the second degree of kinship of the relevant person is not currently or was not in any of the past ten fiscal years an executive of the Group Company.

##### 2. Person related to major client or supplier

The relevant client’s or supplier’s transaction amount with the Company does not reach 2% of the consolidated operating revenues (consolidated total assets in the case of loan) of the Company or the relevant client or supplier currently or on average in the past three fiscal years (or if the relevant client or supplier is a corporation, etc., the relevant person is not currently or was not in the past three years an executive thereof).

##### 3. Legal professional, etc.

Remuneration, etc. received by the expert from the Company, other than officers’ remuneration, does not exceed the annual amount of ¥10 million currently or on average in the past three fiscal years (if the relevant professional, etc. belongs to a corporation, etc., such remuneration does not reach 2% of the consolidated operating revenues thereof).

##### 4. Other

- (1) The relevant person does not receive donations exceeding the annual amount of ¥10 million from the Company currently or on average in the past three fiscal years. Provided, however, if the relevant person that receives donations from the Company is a corporation, etc., that the relevant person is not an executive of the organization, etc. whose donations from the Company exceed 2% of its consolidated operating revenues or total annual revenues.
- (2) The relevant person is not currently or was not in any of the past five fiscal years a major shareholder (whose stockholding ratio is 10% or more of the total number of voting rights) of the Company (if the relevant major shareholder is a corporation, etc., the relevant person is not currently or was not in the past five years an executive thereof).
- (3) The relevant person does not currently or did not in any of the past three fiscal years have important interest in the Group Company.

#### Supplementary principle 4.10.1 Committee Related to Nomination and Compensation

Please refer to “Supplementary explanation” under “II.1. [Directors]” of this report.

## Supplementary principle 4.11.1 Approach to the Composition of the Board of Directors

### 1. Size of the Board of Directors, balance of members, and diversity of skills, etc. of Directors

The Board of Directors of the Company develops and improves the environment to ensure that the enhancement of safety toward as a prerequisite for an increase in the corporate value of the Group over the medium- to long-term is promoted and appropriate risk-taking for the sustainable growth of the business is carried out, and fulfills its duties including highly effective monitoring and supervision.

To be more specific, the Board of Directors of the Company conducts evaluation of risks and returns from the medium- to long-term perspective concerning various measures, etc. necessary for the achievement of the Medium-Term Management Plan for the realization of Our Purpose and Long-Term Vision, and makes timely and appropriate decisions on these measures. Furthermore, the Board of Directors receives reports on the status of execution of business operations in a timely and appropriate manner.

In the course of these processes, each Director fulfills his/her duties appropriately through constructive discussions and exchange of opinions.

Currently, the Board of Directors of the Company comprises seventeen Directors including eight External Directors, and fulfills appropriate functions as mentioned above. In order to fulfill duties of the Board of Directors continuously, the Board of Directors will maintain appropriate size, composition ratio between Internal and External Directors and others, and strive to ensure diversity in gender and other aspects.

In the current fiscal year, the Group formulated the “JR-WEST GROUP Medium-Term Management Plan 2025” and has positioned the following five key strategies: “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,” and efforts are underway.

Toward the achievement of these five key strategies, the Group defines skills (such as knowledge, experience and abilities) that are considered important to the Board of Directors at present in order to ensure that the Board of Directors makes appropriate decisions in a timely manner and fulfills highly effective monitoring and supervisory functions as (i) corporate management, (ii) governance, (iii) safety and quality, (iv) customer satisfaction and marketing, (v) innovation and global environment, (vi) city development, and (vii) coexistence with local communities. The Group believes that components of ESG-related skills are included in each of the seven skills, and all the Directors should be equipped with such ESG-related skills in exercising their respective skills. With regard to the above seven skills, the list of skills that each Director currently has and is expected to display in particular is as stated at the end of this report.

### 2. Policy and procedures for election of Directors

#### (1) External Directors

The Board of Directors decides on, as the candidates for External Directors, those who may give advice based on broad knowledge including field of expertise in the decision-making processes necessary for the management toward the sustainable growth and the increase in the corporate value of the Company over the medium- to long-term and who are able to conduct highly effective monitoring and supervision from an independent standpoint, and refers such decisions to the General Meeting of Shareholders.

For Directors who are Audit and Supervisory Committee Members, candidates are decided upon consent by the Audit and Supervisory Committee.

In the selection of candidates, the Company ensures objectivity, fairness and trustworthiness of selection by making the relevant matters subject to deliberation by the Personnel and Remuneration Advisory Committee on which Independent External Directors have the majority, with the Independent External Director acting as chairman, prior to the resolution of the Board of Directors.

## (2) Internal Directors

The Board of Directors decides on, as the candidates for Internal Directors, those who are appropriate as Directors based on the characteristics of the Company's business, comprehensively taking into account the experience, knowledge and insight based thereon, capacity for objective judgment related to the management, and organizational management ability from the company-wide perspective of each of them, and refers such decisions to the General Meeting of Shareholders.

For Directors who are Audit and Supervisory Committee Members, candidates are decided upon consent by the Audit and Supervisory Committee.

In the selection of candidates, the Company ensures objectivity, fairness and trustworthiness of selection by making the relevant matters subject to deliberation by the Personnel and Remuneration Advisory Committee on which Independent External Directors have the majority, with the Independent External Director acting as chairman, prior to the resolution of the Board of Directors.

### Supplementary principle 4.11.2 Status of Important Concurrent Positions at Other Entities Held by Directors

The Company makes it a principle to limit the number of concurrent positions to a reasonable scope.

In addition, the Company makes efforts to ensure that appropriate discussions are held with the attendance of all Directors so that the monitoring and supervising functions at the Board of Directors are fulfilled appropriately.

The status of important concurrent positions of Directors is described in the business report for each year.

### Supplementary principle 4.11.3 Analysis and Evaluation of Effectiveness of the Board of Directors

The Company conducts an evaluation of the effectiveness of the Board of Directors each year, and brings about continuous improvement to the effectiveness of the Board of Directors through making efforts to improve it through evaluating on a regular basis whether the Board of Directors is fulfilling its expected roles and duties, which, in turn, leads to the continuous growth of the Group and the medium- to long-term improvement of corporate value.

In order to evaluate the effectiveness for the fiscal year ending March 31, 2024, a questionnaire was administered, taking into account the status of initiatives carried out by the Board of Directors in the fiscal year ending March 31, 2024, to address the challenges identified in the evaluation of the Board of Directors for the fiscal year ended March 31, 2023. The Board of Directors held discussions based on the results of the said questionnaire on the challenges for which initiatives should be carried out in the fiscal year ending March 31, 2025.

- (1) Priority initiatives for the fiscal year ending March 31, 2024 informed by the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2023
  - (i) Further enhance discussions on various challenges related to the medium- to long-term improvement of corporate value.
  - (ii) Devise monitoring approaches to strengthen the functions of monitoring and supervision.
  - (iii) Further enhance communication between External Directors and the Audit and Supervisory Committee.
- (2) Evaluation of the effectiveness of the Board of Directors in the fiscal year ending March 31, 2024
  - Questionnaire given to Board of Directors: December 2023 to January 2024
  - Discussion by Board of Directors: January 2024
  - Evaluation results reported to Board of Directors: February 2024
- (3) Evaluation results of the effectiveness of the Board of Directors in the fiscal year ending March 31, 2024

Based on the results of the questionnaire, the Board of Directors found the following: that lively discussions were held on medium- to long-term improvement of corporate value and on strategy, and the

content and quality of such discussions were improving; and that the effectiveness of Board of Directors was maintained and improved based on the statuses of the initiatives to improve the function of monitoring and surveillance and the initiatives to further enhance communication between the External Directors and the Audit and Supervisory Committee.

On the other hand, wide-ranging challenges to improve effectiveness of the Board of Directors for the future were raised, mainly by External 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.

(4) Initiatives of the Board of Directors to address the challenges identified for the fiscal year ending March 31, 2025

Based on the above result, we have determined that the Board of Directors of the Company is functioning effectively. However, we will continue to promote the following initiatives towards further improving the effectiveness of the Board of Directors and strengthening corporate governance.

(i) On further improving the content and quality of discussions by the Board of Directors

We will make good use of the matters for consultation as established in the Regulations of the Board of Directors, among others, to deepen discussions on value creation aimed at realizing our long-term vision, and discussions on challenges for the medium to long term bearing in mind environmental change.

(ii) On further improving the functions of monitoring and supervision

While continually devising ways to improve approaches to monitoring, we will make good use of opportunities such as off-site meetings led by the External Directors to establish an environment in which the functions of monitoring and supervision can be suitably effective.

(iii) On improving the collective insight of the Board of Directors

We aim to further improve effectiveness by conducting training designed to further enhance the insight that the Board of Directors needs to be equipped with in order to respond to the changes in the external environment.

(iv) Listed below are the matters that existing initiatives have been addressing. The Company plans to perpetuate such initiatives to improve the effectiveness of the Board of Directors.

a. Establishment of the system of distributing information

To ensure the strengthening of monitoring and supervision functions of the Board of Directors, the Company has established and maintains the system of distributing information to External Directors.

To be more specific, the Company provides External Directors with preliminary explanations regarding points of discussion, previous internal discussions, etc. with regard to propositions for the meetings of the Board of Directors in order to facilitate substantial and effective discussions at meetings of the Board of Directors. Furthermore, the Company provides them with opportunities, other than the meetings of the Board of Directors, to give explanations of important business challenges, etc. and arranges site inspection as a means of distributing information on current business conditions and background information on measures.

Furthermore, necessary additional explanations for the matters pointed out and questions raised at the meeting of the Board of Directors are given at a meeting of the Board of Directors to be held immediately following the relevant meeting and other occasions.

b. Enhancement of discussions through the establishment of matters for consultation

In addition to matters to be resolved and matters to be reported, the Company establishes in the Regulations of the Board of Directors matters for consultation where the medium- to long-term management policy and strategies and important business challenges are discussed, and conducts continuous and substantial discussions from a medium- to long-term viewpoint.

c. 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 promotion and drafting of measures, etc.

<Effectiveness Evaluation of the Audit and Supervisory Committee>

Upon conducting discussions on the effectiveness of the Audit and Supervisory Committee, the Company has determined that its effectiveness is being further improved through the establishment of new opportunities for communication between the Part-time Audit and Supervisory Committee Members and the Executive Directors, among other measures.

Furthermore, while we have enhanced information sharing with the internal audit department, a proposal was made to share challenges with the internal audit department and to collaborate on responses aimed at improving the quality of audits.

Supplementary principle 4.14.2 Training Policy for Directors

The Company has set up opportunities for Directors to receive training and information and to share challenges with respect to matters on which the Company places emphasis such as those on “Safety,” “Customer Satisfaction” and “Technologies,” and those related to corporate ethics. This has been done from the standpoint of ensuring the Directors can carry out effective monitoring and supervision, and the Audit and Supervisory Committee can perform audit functions, and further enhancing the contribution they can make to increasing the corporate value of the Group over the medium- to long-term.

In addition, as Group engages in wide-ranging business operations, the Company believes that the participation in management by abundantly experienced personnel hailing from within the Group is necessary. Accordingly, the Company makes efforts to develop human resources by such means as providing personnel with opportunities to appropriately gain experience in duties related to the businesses of the Group, thereby securing the personnel capable of undertaking duties in management.

Principle 5.1 Policy for Constructive Dialogue with Shareholders

1. Basic views

The Company believes it important to engage in constructive dialogue with its shareholders and investors in a way that contributes to increasing the corporate value and the shareholder value over the medium- to long-term.

The Company will continue to make efforts to disclose the content of business, management information and risk information in an active and fair manner, and it will build long-term trusting relationship with its shareholders and investors by taking an initiative to communication through various occasions.

2. IR promotion system

- (1) The Company has appointed the Director in charge of the Corporate Strategy Division, which is responsible for IR, as “Director overseeing the all aspects of dialogue.”
- (2) The Corporate Strategy Division is responsible for IR activities involving the Company’s institutional investors and for the management of information related to the important corporate information, and the Corporate Governance Headquarters assumes particular roles with respect to review and implementation of measures directed toward individual investors and dialogue related to the exercise of voting rights.

With respect to the management of information necessary for the disclosure of information, the Company has established and maintains the system in which the departments concerned within the Company including the Corporate Strategy Division, the Corporate Governance Headquarters, the Finance Department, the Corporate Communications Department and the Tokyo Headquarters work closely together.



### 3. Method of dialogue

With respect to the propositions for the General Meeting of Shareholders, the Company will make efforts toward timely (early) disclosure of information and conduct necessary dialogue. Furthermore, the Company transmits information on its website and by IR tools or other means and will continue to make efforts for the development and enhancement of such transmission.

The Company holds financial results briefings and small meetings organized by top management for our institutional investors, and it has individual interviews with them as well.

The Company responds to various types of inquiries and conducts facilities tours, etc. from time to time for our individual investors.

### 4. Internal feedback

The Company reports opinions obtained from its shareholders and investors to the Group Management Committee and the Board of Directors from time to time.

### 5. Management of insider information

The Company has established the “Regulations for Prevention of Insider Trading” prescribing the system related to the management of important corporate information, and it has also established and published the “Disclosure Policy” prescribing the policy for timely and appropriate information disclosure in an effort to prevent insider trading.

Disclosure Policy

URL: <https://www.westjr.co.jp/global/en/ir/disclosure-policy/>

[Measures to Ensure That the Company is Managed with an Awareness of Cost of Capital and Share Price]

The Company has stated in the “JR West Group Medium-Term Management Plan 2025” its objective to achieve consolidated ROE (return on equity), the chosen KPI of capital efficiency, of approximately 8% as of the end of fiscal year ending March 31, 2026 and approximately 9% as of the end of fiscal year ending March 31, 2028, and the net interest-bearing debt to EBITDA ratio, the chosen KPI of financial soundness, of approximately no more than 5 times as of the end of fiscal year ending March 31, 2026 and approximately no more than 4 times as of the end of fiscal year ending March 31, 2028. Moreover, concerning the return of profit to its shareholders, the Company implements stable payment of dividends, targeting a dividend payout ratio of 35% or higher.

Additionally, in light of the characteristics of the railway services business, a core business of the Group, the Company recognizes the importance of maintaining balance when ensuring financial soundness and controlling cost of capital, and at the Board of Directors meetings and other occasions, the Company carries out analysis and discussions taking into account the current changes to the external environment and opinions from the capital market community. Although the appropriate level of cost of capital for financial soundness varies depending on the interest rate levels and status of restructuring of the business portfolio, presently, the Company aims to maintain WACC (weighted average cost of capital) of 3.0 – 3.9%, improve shareholder value by implementing capital policy that flexibly responds to opportunities and continue to enhance discussion on this matter.

For further details on management with an awareness of cost of capital and share price, please refer to “JR West Group Integrated Report 2023” and the “Results for the Fiscal Year Ending March 31, 2024.”

- “West Japan Railway Group Integrated Report 2023” (from page 69, “Financial Strategies” Message from Head of Operations)

URL: <https://www.westjr.co.jp/global/en/ir/library/annual-report/2023/>

- “Results for the Fiscal Year Ending March 31, 2024” (from page 10)

URL: <https://www.westjr.co.jp/global/en/ir/library/meeting/>

## 2. Capital structure

Foreign shareholding ratio	From 20% to less than 30%
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### [Status of major shareholders] [Updated]

Name	Number of shares owned (Shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Unit)	39,272,700	16.11
Custody Bank of Japan, Ltd. (Trust Unit)	13,042,400	5.35
Sumitomo Mitsui Banking Corporation	4,480,000	1.84
MUFG Bank, Ltd.	4,410,000	1.81
STATE STREET BANK WEST CLIENT – TREATY 505234	4,164,440	1.71
Nippon Life Insurance Company	4,000,000	1.64
JR-West Employee Stock-Sharing Plan	3,487,900	1.43
SSBTC CLIENT OMNIBUS ACCOUNT	3,104,432	1.27
JP MORGAN CHASE BANK 385781	3,088,065	1.27
JPMorgan Securities Japan Co., Ltd.	2,158,107	0.89

Controlling shareholder (except for parent company)	—
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Parent company	None
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#### Supplementary explanation [Updated]

1. The shareholders listed under “Status of major shareholders” are based on the shareholder register as of March 31, 2023.
2. The large shareholding report (change report) submitted by BlackRock Japan Co., Ltd. to the Director-General of the Kanto Finance Bureau as of December 6, 2018 states that the said company and seven joint holders held 11,478,532 shares as of November 30, 2018 (ratio of the shareholdings to the total number of issued shares as of the same date: 5.96%). However, since the Company cannot confirm the number of shares actually held by them as of the record date for exercising voting rights, they are not included in “Status of major shareholders” above.
3. The large shareholding report (change report) submitted by Sumitomo Mitsui Trust Bank, Limited to the Director-General of the Kanto Finance Bureau as of October 6, 2022 states that the said company and two joint holders held 16,285,619 shares as of September 30, 2022 (ratio of the shareholdings to the total number of issued shares as of the same date: 6.67%). However, since the Company cannot confirm the number of shares actually held by them as of the record date for exercising voting rights, they are not included in “Status of major shareholders” above.

### 3. Corporate attributes

Listed stock market and market section	Tokyo Stock Exchange / Prime
Fiscal year-end	March
Type of business	Land transportation
Number of employees (consolidated) as of the end of the previous fiscal year	1,000 or more
Operating revenues (consolidated) for the previous fiscal year	¥1 trillion or more
Number of consolidated subsidiaries as of the end of the previous fiscal year	From 50 to less than 100

### 4. Policy on measures to protect minority shareholders in conducting transactions with controlling shareholder

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### 5. Special circumstances which may have material impact on corporate governance

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## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management

### 1. Organizational composition and operation

Organization form	Company with Audit and Supervisory Committee
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#### [Directors]

Maximum number of Directors stipulated in Articles of Incorporation	20
Term of office stipulated in Articles of Incorporation	1 year
Chairman of the Board of Directors	President
Number of Directors	17
Appointment of External Directors	Appointed
Number of External Directors	8
Number of Independent Officers designated from among External Directors	8

#### External Directors' relationships with the Company (1)

Name	Attribute	Relationships with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Hikaru Takagi	Academic											
Yoshinobu Tsutsui	From another company								○			
Haruko Nozaki	From another company								○		○	
Kenji Iino	From another company											
Yoshiyuki Miyabe	From another company								△			
Maki Ogura	Other	△										
Emiko Hazama	Academic											
Kenryo Goto	Certified public accountant											

\* Categories for "Relationships with the Company"

\* "○" when the Director presently falls or has recently fallen under the category;

"△" when the Director fell under the category in the past;

\* "●" when a close relative of the Director presently falls or has recently fallen under the category; and

"▲" when a close relative of the Director fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a Director

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

h. Executive of a client or supplier of the Company (which does not correspond to any of d, e, or f) (the Director himself/herself only)

i. Executive of a corporation, between which and the Company External Directors are mutually appointed (the Director himself/herself only)

j. Executive of a corporation that receives a donation from the Company (the Director himself/herself only)

k. Others

External Directors' relationships with the Company (2) **[Updated]**

Name	Audit and Supervisory Committee Members	Designation as Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Hikaru Takagi		○	-	<p>Mr. Hikaru Takagi has been engaged in research and education at the University of Tokyo, Kobe University, Gakushuin University, and Kyoto University. Based on his professional knowledge and accumulated expertise as a legal scholar studying all aspects of administrative law, the Company believes that he will provide advice to the Company on management, including offering a legal perspective on business restructuring, from an independent standpoint. To date, he has provided such advice to the Company and the Company believes that he is qualified as an External Director. Moreover, based on the fact that he has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, he is designated as an Independent Officer.</p>

Name	Audit and Supervisory Committee Members	Designation as Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Yoshinobu Tsutsui		○	<p>Chairman and Representative Director, Nippon Life Insurance Company</p> <p>Mr. Yoshinobu Tsutsui has held the office of Chairman of the Board and Representative Director of Nippon Life Insurance Company. The Company has entered into transactions with this company in the form of long-term debt and transactions based on insurance policies for which employees are policy holders. However, the transaction amount between the insurance company and the Company for the most recent three fiscal years was less than 2% of their respective consolidated operating revenues and the amount of borrowings of the Company from the insurance company was less than 2% of their respective consolidated total assets. Additionally, the insurance company holds shares in the Company but its shareholding ratio for the most recent five fiscal years was less than 2% of the total issued shares of the Company. Therefore, his independence as an External Director has fully been secured.</p>	<p>Mr. Yoshinobu Tsutsui has served Nippon Life Insurance Company successively as Representative Director and Senior Managing Executive Officer, President and Representative Director, and Chairman of the Board and Representative Director. The Company believes that, based on his expert knowledge and deep insight as a corporate executive, as well as his experience in working to strengthen governance as an External Audit and Supervisory Board Member of the Company, he will provide advice on the management of the Company from an independent standpoint. To date, he has provided such advice to the Company and the Company believes that he is qualified as an External Director. Moreover, based on the fact that he has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, he is designated as an Independent Officer.</p>

Name	Audit and Supervisory Committee Members	Designation as Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Haruko Nozaki		○	<p>Executive Officer, Kyoto University</p> <p>Ms. Haruko Nozaki is an Executive Officer at Kyoto University (national university corporation Kyoto University) and the university corporation is a recipient of donation from the Company and the Company's client. The donation amount to and the transaction amount between the university corporation for the most recent three fiscal years are both less than 1% of the total annual income of the university corporation and consolidated operating revenue of the Company. Therefore, her independence as an External Director has fully been secured.</p>	<p>Ms. Haruko Nozaki has long years of experience in personnel affairs and education at HORIBA, Ltd., as well as abundant experience and knowledge about various issues, including the success of women in the workplace, the promotion of diversity, and the development of the next generation, in addition to extensive experience as Executive Board Member at a public interest corporation and Kyoto University. The Company believes that she can provide advice on management of the Company from an independent point of view. To date, she has provided such advice to the Company and the Company believes that she is qualified as an External Director. Moreover, based on the fact that she has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, she is designated as an Independent Officer.</p>
Kenji Iino		○	-	<p>Mr. Kenji Iino has served as Executive Managing Director and Executive Managing Officer, Managing Director and Executive Managing Officer, and Senior Corporate Auditor at Mitsui Fudosan Co., Ltd. and as Senior Corporate Auditor at Mitsui Fudosan Realty Co., Ltd. since June 2020. The Company believes that he can provide advice on the Company's management from an independent standpoint based not only on his insight into the real estate business in general, but also on his expertise and high level of insight as a manager. To date, he has provided such advice to the Company and the Company believes that he is qualified as an External Director. Moreover, based on the fact that he has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, he is designated as an Independent Officer.</p>

Name	Audit and Supervisory Committee Members	Designation as Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Yoshiyuki Miyabe		○	<p>Director, Executive Vice President, Panasonic Holdings Corporation</p> <p>Please note that, between the Company and the company in which Mr. Yoshiyuki Miyabe served in the past as an executive, the company made payment for contribution regarding seconded employees to the Company. However, the amount of the payment per year accounts for less than 1% of the consolidated operating revenues of both the Company and the company.</p>	<p>Mr. Yoshiyuki Miyabe has served as Managing Director, Representative Director and Senior Managing Director, Senior Managing Executive Officer, Director, Executive Vice President, at the current Panasonic Holdings Corporation. The Company believes that he can provide advice on the Company's management from an independent standpoint based on his expertise and high level of insight as a manager, as well as his insight into advanced technologies that contribute to improving safety, quality, and productivity. To date, he has provided such advice to the Company and the Company believes that he is qualified as an External Director. Moreover, based on the fact that he has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, he is designated as an Independent Officer.</p>
Maki Ogura	○	○	<p>Mr. Maki Ogura was an executive (employee) of the Company in the past. However, many years have passed since he ceased to be an executive (he retired from such office in February 1988). Therefore, his independence as an External Director has fully been secured.</p>	<p>Mr. Maki Ogura has had a long career as a judge and accumulated experience and expertise as an attorney at law and in administration of legal affairs, among others. Based on this and his experience in working to strengthen governance as an External Audit and Supervisory Board Member of the Company, it is expected that he will provide advice on the Company's management from an independent standpoint. To date, he has made efforts to strengthen governance through auditing, etc. and the Company believes that he is qualified to serve as an External Director who is an Audit and Supervisory Committee Member. Moreover, based on the fact that he has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, he is designated as an Independent Officer.</p>



Name	Audit and Supervisory Committee Members	Designation as Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Emiko Hazama	○	○	-	<p>Ms. Emiko Hazama has engaged in many years of research on local revitalization and culture and has experience and expertise in administration. Based on this and her experience in working to strengthen governance as an External Audit and Supervisory Board Member of the Company, it is expected that she will provide advice on the Company's management from an independent standpoint. To date, she has made efforts in auditing the Company, which is engaged in local revitalization and the strengthening of governance and the Company believes that she is qualified to serve as an External Director who is an Audit and Supervisory Committee Member. Moreover, based on the fact that she has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, she is designated as an Independent Officer.</p>
Kenryo Goto	○	○	-	<p>Mr. Kenryo Goto has been a certified public accountant for many years and has also served as a representative partner and managing director of an auditing corporation. It is expected that he will provide advice on the Company's management from an independent standpoint based on his expertise and deep insight in finance and accounting as well as his extensive auditing experience. To date, he has made efforts to strengthen governance through auditing, etc. and the Company believes that he is qualified to serve as an External Director who is an Audit and Supervisory Committee Member. Moreover, based on the fact that he has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, he is designated as an Independent Officer.</p>

**[Audit and Supervisory Committee]**

**Committee’s composition and attributes of chairman [Updated]**

	All committee members	Full-time members	Inside Directors	External Directors	Chairman
Audit and Supervisory Committee	4	2	1	3	External Director

Appointment of Directors and/or employees to support duties of the Audit and Supervisory Committee	Appointed
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**Matters related to the independence of such Directors and/or employees from Executive Directors [Updated]**

The employees belonging to the Board of Directors Office to engage in assisting the Audit and Supervisory Committee shall, independently of any section, execute their duties under the orders and instructions of the Audit and Supervisory Committee.

In consideration of such employees’ assuming a key role of engaging in part of the supervising and auditing functions, the Company shall appoint them by taking into full account their experience and knowledge and make their personnel changes and evaluations upon consent by the Audit and Supervisory Committee.

**Cooperation among Audit and Supervisory Committee, Accounting Auditor and internal audit departments [Updated]**

Each auditing of Audit and Supervisory Committee, Inquiry & Auditing Department and auditing firms includes ongoing exchange of information regarding each other’s respective audit plans, methodology, and results while maintaining close mutual cooperation to facilitate efficient and effective auditing. Furthermore, the Directors who are Audit and Supervisory Committee Members and the Inquiry & Auditing Department conduct regular exchanges of opinion on each other’s respective audit plans, methodology, and results, as well as other measures to maintain close mutual cooperation. At the same time, they strive to ensure effective and efficient auditing as well as the accuracy and reliability of financial reporting.

**[Committees established voluntarily]**

Voluntary establishment of committee(s) equivalent to Nominating Committee or Remuneration Committee	Established
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**Committees established voluntarily, their composition, and attributes of chairman**

	Committee’s name	All committee members	Full-time members	Inside Directors	External Directors	External experts	Others	Chairman
Committee equivalent to Nominating Committee	Personnel and Remuneration Advisory Committee	5	0	2	3	0	0	External Director
Committee equivalent to Remuneration Committee	Personnel and Remuneration Advisory Committee	5	0	2	3	0	0	External Director

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**Supplementary explanation [Updated]**

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With the aim of enhancing the objectivity, fairness and trustworthiness of officers' personnel and remuneration, the Company has established the Personnel and Remuneration Advisory Committee. This Committee comprises at least five Directors, the majority of whom being Independent External Directors. Under the direction of the Independent External Director who acts as a chairman, the Personnel and Remuneration Advisory Committee deliberates on officers' personnel and remuneration from the perspective of objectivity and fairness and makes recommendations to the Board of Directors based on these deliberations. Specifically, deliberations are conducted on the composition and diversity of the Board of Directors, skills that Directors, etc. are expected to have, policy and criteria for selection and dismissal of Directors, etc., policy and standards for remuneration for Directors, etc., formulation of a succession plan, and other matters. During the fiscal year ended March 31, 2023, the committee met ten times with attendance of all the committee members.

**[Independent Officers]**

Number of Independent Officers	8
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**Matters relating to Independent Officers**

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**[Incentives]**

Implementation of measures to provide incentives to Directors	Other
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**Supplementary explanation**

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For “performance-evaluation remuneration” as a short-term incentive, the amount of individual Director's remuneration is adjusted based on their responsibilities and performance, and so forth, in the previous fiscal year. For “share-based remuneration” as an incentive to share value with shareholders over the long term and increase corporate value over the medium to long term, restricted shares are issued.

Recipients of stock options	
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**Supplementary explanation**

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## [Director remuneration]

Disclosure of individual Directors' remuneration	No individual disclosure
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### Supplementary explanation [Updated]

- Details of officers' remuneration (Fiscal year ended March 31, 2023)  
18 Directors (excluding Directors who are Audit and Supervisory Committee Members): total ¥294 million (basic remuneration: ¥274 million, performance-evaluation remuneration: ¥-, share-based remuneration: ¥20 million) (including seven External Directors: total ¥50 million (basic remuneration: ¥50 million))  
Four Directors who are Audit and Supervisory Committee Members: total ¥52 million (basic remuneration: ¥52 million) (including three External Directors: total ¥34 million (basic remuneration: ¥34 million))  
Five Audit and Supervisory Board Members: total ¥18 million (basic remuneration: ¥18 million) (including three External Audit and Supervisory Board Members: total ¥9 million (basic remuneration: ¥9 million))

- (Notes) 1. The amounts shown are after the return of remuneration.  
(Taking into consideration the severe business situation caused by the novel coronavirus pandemic, 20% to 50% of the monthly remuneration are returned, depending on the position.)
2. The number of officers who received remuneration includes five Directors and two Audit and Supervisory Board Members who retired during fiscal year ended March 31, 2023.
  3. Effective at the conclusion of the 35th Ordinary General Meeting of Shareholders held on June 23, 2022, the Company transitioned to a company with an Audit and Supervisory Committee. Remuneration, etc. for Audit and Supervisory Board Members relate to the period prior to the transition, and remuneration, etc. for Directors who are Audit and Supervisory Committee Members relates to the period after the transition.

Policy on determining remuneration amounts or calculation methods thereof [Updated]	Established
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### Disclosure of policy for determining remuneration amounts or calculation methods thereof

#### 1. Matters relating to performance-evaluation remuneration

In order to increase awareness toward the improvement of company performance for each business year, the Company shall provide performance-evaluation remuneration in line with the extent to which objectives have been achieved in terms of the respective targets set forth at the outset of the previous fiscal year. Accordingly, the Company sets performance targets for a single fiscal year with respect to ensuring railway safety, consolidated revenues, consolidated profits, and asset efficiency. Despite this being largely premised on the notion of the Company achieving safe and consistent railway operations, its core business, the Company has selected ensuring railway safety and the KPIs set in the "JR-West Group Medium-Term Management Plan 2022" as performance indicators in consideration of the importance of systems underpinning appropriate risk-taking by management from the perspectives of achieving long-term sustainable growth and improving the corporate value as a corporate group.

With regard to the achievement status of performance-evaluation remuneration indicators for fiscal year ended March 31, 2023 (actual results in fiscal year ended March 31, 2022), there were no train accidents that resulted in casualties among customers and no train labor accidents that resulted in fatalities among employees, which were set as objectives for ensuring railway safety in the "JR-West Group Railway Safety Think-and-Act Plan 2022," but the target for the number of transportation disruptions due to internal factors was not achieved. With regard to management indicators, relative to financial forecasts announced in July 2021, KPI targets for consolidated profits were achieved, however targets for consolidated revenues and asset efficiency were not achieved.

Some of the targets were achieved, but taking into consideration the severe business situation caused by the novel coronavirus pandemic, performance-evaluation remuneration was not provided as a result of implementing the return of remuneration depending on the position.

## 2. Matters relating to share-based remuneration

For the purposes of giving an incentive to continuously improve our corporate value and promoting further sharing of value with shareholders, monetary claims are granted to Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors), and restricted shares are issued in return of their paying-in of the monetary claims. Momentary claims are provided at a base amount according to management responsibilities. The transfer-restriction period is during the period to the date of resignation or retirement from the position of the Company's Director or any other positions determined by the Company's Board of Directors.

## 3. Matters relating to resolutions of the General Meeting of Shareholders regarding remuneration, etc. for Directors

The amount of remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company was resolved to be not more than ¥690 million of monetary remuneration per year (of which: ¥120 million for External Directors) and not more than ¥75 million of share-based remuneration per year (the total number of shares: 20,000 shares or less per year) at the 35th Ordinary General Meeting of Shareholders held on June 23, 2022. At the conclusion of that Ordinary General Meeting of Shareholders, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) was 13. In addition, the amount of monetary remuneration of Directors who are Audit and Supervisory Committee Members of the Company was resolved to be not more than ¥135 million per year at the 35th Ordinary General Meeting of Shareholders held on June 23, 2022. At the conclusion of that Ordinary General Meeting of Shareholders, the number of Directors who are Audit and Supervisory Committee Members was four.

## 4. Policy on determining the amount of Directors' individual remuneration

### (1) Method for determining the policy on determining the amount of Directors' individual remuneration

In order to establish a remuneration system that sufficiently functions as an incentive for the sustainable increase of corporate value, and is based on the "JR-West Group Medium-Term Management Plan 2022," the policy on determining the amount of Directors' individual remuneration (hereinafter, the "Determination Policy") was deliberated by the Personnel and Remuneration Advisory Committee, and after giving serious consideration to the details of their recommendations, the Determination Policy was resolved at the meeting of the Board of Directors held on February 24, 2021.

Subsequently, with the launch of the JR-West Group Medium-Term Management Plan 2025, the Board of Directors resolved to revise this determination policy at its meeting held on April 28, 2023, in order to create a remuneration system that appropriately links business performance with the remuneration of individual Directors and increases incentives for Directors to improve business performance, thereby enhancing corporate value over the medium- to long-term.

### (2) Overview of the Determination Policy

- Remuneration of the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors) consists of "basic remuneration," which is fixed remuneration; "performance-evaluation remuneration" as a short-term incentive; and "share-based remuneration" as an incentive to share value with shareholders over the long term and increase corporate value over the medium to long term. Basic remuneration is paid monthly, while performance-evaluation remuneration and share-based remuneration are paid at a fixed time each year. Remuneration of Directors who are Audit and Supervisory Committee Members and External Directors consists of basic remuneration only.
- Regarding the amount of basic remuneration, the Company prepares a table of remuneration organized according to management responsibilities after taking into account the levels at other companies investigated by specialist external organizations to ensure an appropriate level of remuneration.
- Performance-evaluation remuneration shall be cash remuneration reflecting the performance indicators for each fiscal year, and it shall consist of a Company performance portion and an

individual performance portion. The ratio of the Company performance portion to the individual performance portion when all performance indicators reach the target shall be 7:3. However, Representative Director and President, etc. shall apply only the Company performance portion.

Both Company and individual performance portions shall be evaluated quantitatively and qualitatively according to the achievement status of targets for each indicator set at the beginning of the previous fiscal year.

Performance indicators for Company performance portion are financial indicators and non-financial indicators. For financial indicators, the Company will use the three performance indicators of “consolidated profits,” “asset efficiency,” and “the share of consolidated profits in the life design field,” while for non-financial indicators, the Company will use the three items of “railway safety,” “global environment,” and “work engagement” as performance indicators.

The performance indicators for individual performance portion will be the main KPIs in the division for which each Director is responsible. Depending on the status of achievement and qualitative evaluation of the indicators, the individual performance portion may vary between 0 and 200%.

- Restricted shares are issued as share-based remuneration. The amount of share-based remuneration shall be set at a base amount according to management responsibilities.
  - Remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors) shall be structured so that the ratio of basic remuneration, performance-evaluation remuneration, and share-based remuneration is 6:3:1 when all performance indicators have reached the targets set forth at the outset of the previous fiscal year. (Please also refer to Reference 3 at the end of this report for the types of remuneration and payment criteria)
  - The amount of remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by a resolution of the Board of Directors based on the above policy. However, the determination of the details pertaining to basic remuneration and performance-evaluation remuneration shall be left to the President and Representative Director upon resolution of the Board of Directors. In order to ensure the fairness and credibility of deciding remuneration, specific decisions are made after having the matters deliberated whereby the Company holds meetings of the Personnel Committee comprising multiple Representative Directors, the Director in charge of personnel, and others, while respecting recommendations made by the Personnel and Remuneration Advisory Committee. The remuneration for Directors who are Audit and Supervisory Committee Members is determined by deliberation of Directors who are Audit and Supervisory Committee Members, within the total amount resolved at the General Meeting of Shareholders.
- (3) Reasons the Board of Directors has judged the amount of Directors’ individual remuneration for the fiscal year under review as being in line with the Determination Policy

In determining the amount of Directors’ (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter) individual remuneration, the Personnel and Remuneration Advisory Committee on which External Directors have the majority, has multilateral discussions, which include consistency with the Determination Policy, and makes recommendations to the Board of Directors based on these discussions. In light of the amount of Directors’ individual remuneration being decided after giving serious consideration to these recommendations, the Board of Directors has judged that the amount of Directors’ individual remuneration is in line with the Determination Policy.

#### 5. Matters relating to entrustment of decision-making for the amount of Directors’ individual remuneration

The decision-making authority to determine of the amount of individual remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter) with respect to basic remuneration and performance-evaluation remuneration is entrusted to the President and Representative Director Kazuaki Hasegawa by resolution of the Board of Directors based on the Determination Policy in 4. above. The entrustment of this decision-making authority is based on the belief that the person who holds office as President and Representative Director is the most appropriate person in the final determination of each Directors’ evaluation as the Company has a system where the highest responsibility for the execution of business operations has been integrated into the office of the President.

Specific decisions for the amount of Directors' individual remuneration are made after having the matters deliberated whereby the Company holds meetings of the Personnel Committee comprising multiple Representative Directors, the Director in charge of personnel, and others, while respecting recommendations made by the Personnel and Remuneration Advisory Committee on which External Directors have the majority. By making the decisions after going through these deliberations, the fairness and credibility of remuneration decisions are ensured.

6. Activities of the Board of Directors and the Personnel and Remuneration Advisory Committee during the course of determination of amount of remuneration, etc. for Directors

As an activity in the fiscal year ended March 31, 2023 of the Personnel and Remuneration Advisory Committee during the course of determination of amount of remuneration, etc. for Directors, deliberations were made with all the committee members present in regard to the validity of the remuneration level, the application of performance-evaluation remuneration, the return of remuneration and a review of the officers' remuneration system from the fiscal year ending March 31, 2024 and onward, and recommendations were made to the Board of Directors.

**[Supporting system for External Directors]**

The Company arranges the Board of Directors meeting schedule at an early date and provides preliminary explanations of propositions and so forth. In addition, since June 2006 a dedicated staff member has been appointed as a secretarial manager to communicate and coordinate with External Directors and the Company has been working to reinforce the system of distributing information to the External Directors through such measures as briefing the External Directors on the status of execution of business operations.

In line with the transition to a company with Audit and Supervisory Committee in June 2022, the Company has established the Board of Directors Office as an organization that supports duties of the Board of Directors and the Audit and Supervisory Committee. Additionally, the Company has appointed its exclusive assistant employees whose independence is ensured from executive directors, and established a system to assist External Directors in an integrated manner, thereby further improving the system.

**[Status of persons who have retired from a position such as Representative Director and President]**

Retired Representative Director and Presidents, etc., Senior Adviser or any other position in the Company **[Updated]**

Name	Title/Position	Responsibilities	Working Form and Conditions (Full-time/Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
Seiji Manabe	Senior Adviser	Dealing with those affected by the derailment accident on the Fukuchiyama Line, outside activities for public institutions, etc., and provision of advice upon request of the Company	Full-time, Paid	June 22, 2016	Renewed annually
Tatsuo Kijima	Counselor	Dealing with those affected by the derailment accident on the Fukuchiyama Line, outside activities for public institutions, etc., and provision of advice upon request of the Company	Full-time, Paid	December 1, 2019	Renewed annually

Total number of retired Representative Director and Presidents, etc., Senior Adviser or any other position in the Company **[Updated]**

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**Other matters [Updated]**

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1. The date stated in “Date of Retirement from Position Such as President” is the date the person retired as Representative Director and President of the Company.
2. When a person is newly appointed as Senior Adviser and Counselor, the appointment is resolved at the Board of Directors meeting as stipulated in the Articles of Incorporation.
3. The aforementioned persons of Senior Adviser, etc. are not involved in the decision making by the Company’s senior management. Also, their treatment is deliberated by the Personnel and Remuneration Advisory Committee.

**2. Matters on functions of business execution, audit and supervision, nomination and remuneration decisions (overview of current corporate governance system) [Updated]**

In order to strengthen the supervisory function of the Board of Directors and further enhance corporate governance, as well as to facilitate prompt decision-making and flexible business execution, the Company has transitioned to a company with Audit and Supervisory Committee after obtaining the approval at the 35th Ordinary General Meeting of Shareholders held on June 23, 2022. Additionally, a necessary internal control system has been established as described below.

The Board of Directors of the Company meets once every month, in principle, to discuss key management strategies, the direction of the business portfolio, opportunities and risks related to sustainability, and other issues to enhance corporate value over the medium- to long-term, and it receives reports on matters concerning corporate ethics in a timely and appropriate manner. Moreover, the Board of Directors delegates decision-making authority significantly to executive directors and receives reports on the status of execution of business operations on a timely and appropriate manner in efforts to establish corporate ethics and enhance monitoring and supervisory functions. Additionally, to further enhance and strengthen monitoring and supervisory functions and increase the transparency and fairness of management, the Company appointed, of the 13 (12 male and one female) Directors (excluding Directors who are Audit and Supervisory Committee Members), five External Directors (excluding External Directors who are Audit and Supervisory Committee Members) as the Directors specialized in monitoring and supervision, and appointed Directors who are Audit and Supervisory Committee Members (two male Directors and two female Directors, of which three are External Directors who are Audit and Supervisory Committee Members) with voting rights at the Board of Directors. For this purpose, the Company is working to reinforce the system of distributing information to the External Directors through such measures as increasing the opportunities for briefing the External Directors in advance.

In addition, the Group Management Committee, comprised of members including Representative Directors, Executive Directors, Executive Officers and Group Executive Officers, meets once every week, in principle, to deliberate basic matters concerning management of the Group.

Currently, Directors who are Audit and Supervisory Committee Members consist of four staff, including two Directors who are Full-time Audit and Supervisory Committee Members (including one External Director who is an Audit and Supervisory Committee Member) and two External Directors who are Part-time Audit and Supervisory Committee Members. Of them, External Director who is an Audit and Supervisory Committee Member, Mr. Kenryo Goto is qualified as a certified public accountant and has considerable knowledge of finance and accounting.

In accordance with the auditing policies and audit plan prepared by the Audit and Supervisory Committee, Audit and Supervisory Committee Members attend meetings of the Board of Directors, receive reports from the Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees, etc. regarding the status of the execution of their duties, and the structure and operation of the system to secure the properness of business activities (internal control system), audit the execution of business by Directors such as by requesting explanation when required, and provide necessary advice and recommendations. The Directors who are Full-time Audit and Supervisory Committee Members attend important meetings such as Group Management Committee, conduct audits through investigating regional organs and worksites and holding individual hearings with Directors on matters, and request business reports from the group companies and investigate the status of business and assets as necessary.



In addition, Directors who are Audit and Supervisory Committee Members cooperate with the Accounting Auditor and the internal audit department through regularly exchanging information and other means.

In addition, Directors who are Part-time Audit and Supervisory Committee Members, together with Directors who are Full-time Audit and Supervisory Committee Members, participate as necessary in investigations, etc. of regional organs, etc. and group companies, attend the exchange of opinions between the Representative Director and President and External Directors (excluding External Directors who are Audit and Supervisory Committee Members), and provide opinions based on expert knowledge and various experiences.

With regard to the particulars of internal reporting filed with the contacts responsible for internal reporting by any party within the entire Group, Directors who are Full-time Audit and Supervisory Committee Members receive reports regularly and investigate the status of its operation.

Regarding the Audit and Supervisory Committee, in fiscal 2022, audits were conducted for priority audit items on “response to the severe business environment due to the COVID-19 pandemic” and “the construction and operation status of the internal control system of the corporate group.” The Audit and Supervisory Board and the Audit and Supervisory Committee after the transition to a company with an Audit and Supervisory Committee held a total of 14 meetings. The meetings were held to establish the Regulations of the Audit and Supervisory Committee, formulate audit policies and audit plans, reappointment of the Accounting Auditor, provide consent to the Accounting Auditor’s compensation, etc., prepare audit reports, confirm the appropriateness of proposals to the General Meeting of Shareholders, approve conflict-of-interest transactions, confirm the execution of other duties by Directors, receive reports on important audit-related matters, including reports on the results of investigations of local organizations and group companies, and the status of discussions on key audit matters (KAM), and deliberated and decided on legal authority and other matters as required. In addition, Audit and Supervisory Committee Communication Meeting was held 10 times to supplement the Audit and Supervisory Committee and to share information on audit activities and other matters with Audit and Supervisory Committee Members and the internal audit department.

Also, the Company has appointed its employees to engage exclusively in assisting the Directors who are Audit and Supervisory Committee Members. The employees to engage exclusively in assisting the Directors who are Audit and Supervisory Committee Members execute their duties under the orders and instructions of the Audit and Supervisory Committee.

With regard to internal audits, the Inquiry & Auditing Department, which is the internal audit department, comprises 15 staff. Through this structure, the Inquiry & Auditing Department conducts evaluation of internal controls relating to internal audits and financial reporting towards resolution of essential issues, as to whether the process of business activities function effectively, for the Company and the group companies. Those audit plans and audit results are reported to the Representative Director and the Board of Directors.

Furthermore, the Directors who are Audit and Supervisory Committee Members and the Inquiry & Auditing Department shall conduct regular exchanges of opinion on each other’s respective audit plans, methodology, and results, as well as other measures to maintain close mutual cooperation. At the same time, they shall strive to ensure effective and efficient auditing as well as the accuracy and reliability of financial reporting.

With regard to accounting audits, the Company has entered into an audit agreement with Ernst & Young ShinNihon LLC, which carries out appropriate audits that are conducted by an audit team comprising three partners and an auditing support staff consisting of 55 members: 14 other CPAs and 41 other support staff. These audits are appropriately conducted in accordance with auditing standards generally accepted in Japan. In addition, the audits conducted by the Audit and Supervisory Committee, the Inquiry & Auditing Department, and the auditing firm involve close mutual cooperation and the ongoing exchange of information regarding each other’s respective audit plans, methodology, and results, to facilitate effective and efficient auditing as necessary.

The certified public accountants that have conducted audit operations are as follows:

- Name of certified public accountants that have conducted audit operations

Kaname Matsumoto, Yoshihiro Shibata, Masahiko Naka

The President and Representative Director proposes candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) to be recommended to the General Meeting of Shareholders based on the selection criteria established by the Board of Directors after deliberation by the Personnel and Remuneration Advisory Committee on which External Directors have the majority, and the nomination of candidates is approved by resolution of the Board of Directors.

The President and Representative Director proposes candidates for Directors who are Audit and Supervisory Committee Members to be recommended to the General Meeting of Shareholders upon consent by the Audit and Supervisory Committee after deliberation by the Personnel and Remuneration Advisory Committee on which External Directors have the majority, and the nomination of candidates is approved by resolution of the Board of Directors.

Remuneration, etc. for Directors are as described in “Disclosure of policy for determining remuneration amounts or calculation methods thereof.”

### **3. Reasons for adoption of current corporate governance system**

In order to strengthen the supervisory function of the Board of Directors and further enhance corporate governance, as well as to facilitate prompt decision-making and flexible business execution, the Company has transitioned to a company with Audit and Supervisory Committee after obtaining the approval at the 35th Ordinary General Meeting of Shareholders held on June 23, 2022. Additionally, a necessary internal control system has been established as described below.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to vitalize the General Meeting of Shareholders and smooth exercise of voting rights

	Supplementary explanations
Early notification of General Meeting of Shareholders	Notification is generally sent by three weeks before the date of the General Meeting of Shareholders.
Scheduling Ordinary General Meeting of Shareholders avoiding the peak day	The meeting is held several days before the peak day.
Allowing electronic or magnetic exercise of voting rights	Since the General Meeting of Shareholders held in June 2004, the Company has introduced exercise of voting rights using the Internet.
Participation in electronic voting platform and other efforts to enhance the voting environment for institutional investors	Since the General Meeting of Shareholders held in June 2008, exercise of voting rights using a “platform for electronic exercise of voting rights for institutional investors” operated by ICJ Inc. has been available.
Providing convocation notice (fully or partially) in English	English translations of convocation notices are prepared and posted on the Company’s website. They are also submitted to securities exchanges and provided for public inspection.

#### 2. IR activities

	Supplementary explanations	Explanation by the representative in person
Preparation and publication of disclosure policy	The Company prepared the disclosure policy and it is posted on the Company’s website.	
Regular investor briefings for analysts and institutional investors	The Company holds briefings following the half-year and full-year financial results, and a briefing on the announcement of the Group’s medium-term management plans.	Yes
Regular investor briefings for overseas investors	The Company makes visits to overseas institutional investors in Europe, North America, Asia and other regions around three times a year.	Yes
Posting of IR materials on website	Financial material and so forth is posted on the Company’s website.	
Establishment of department and/or manager in charge of IR	A group in charge of IR has been established within the Corporate Strategy Division.	

### 3. Measures to ensure due respect for stakeholders [Updated]

	Supplementary explanations
Provisions to ensure due respect for stakeholders in internal rules, etc.	The Corporate Philosophy sets out the Company's intention to meet stakeholders' expectations.
Implementation of environmental activities, CSR activities, etc.	<p>The Company discloses information about its initiatives for sustainability in the "West Japan Railway Group Integrated Report," and on the Company's website and elsewhere. Particularly, as for the measures to address climate change, the Group has formulated the long-term environmental goal "JR West Group Zero Carbon 2050" in April 2021, and declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has implemented information disclosure based on the said recommendations.</p> <p>"West Japan Railway Group Integrated Report"  <a href="https://www.westjr.co.jp/global/en/ir/library/annual-report/2021/">https://www.westjr.co.jp/global/en/ir/library/annual-report/2021/</a>                      The Company's website (Initiatives for Sustainability) (in Japanese only)  <a href="https://www.westjr.co.jp/company/action/">https://www.westjr.co.jp/company/action/</a>                      Information Disclosure based on the TCFD recommendations  <a href="https://www.westjr.co.jp/global/en/about-us/csr/environment/pdf/TCFD.pdf">https://www.westjr.co.jp/global/en/about-us/csr/environment/pdf/TCFD.pdf</a></p>
Other	<p>(1) Views on ensuring diversity in core human resources, status of ensuring diversity, etc.</p> <p>The Company believes in appointing the most suitable person for the job. This also applies to the promotion of female employees, foreign nationals and mid-career employees to executive and management positions.</p> <p>i) Female employees</p> <p>Since restrictions on women working late at night were abolished in a revision of the Labor Standards Act of Japan, etc. in 1999, we have prepared the necessary facilities and furthered the expansion of positions in which women can be active. Having continued to actively hire women, the current number of female employees stationed across all workplaces is about 3,900 (approximately 16% of the total workforce). With regard to the target for the promotion of women, under the General Employers Action Plan pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children from April 2022, the Company has set the goal of increasing the number of women at the management and leadership levels by at least 1.5 times the number as of March 31, 2022, by March 31, 2025. In the "JR-West Group Medium-Term Management Plan 2025," the Company is targeting to increase the ratio of women in management positions to 5.5% by March 31, 2026 and to 10.0% by March 31, 2028. As for appointment of female officers, the Board of Directors at the Company comprises 17 Directors, which includes three female Directors. In June 2015, the Company appointed its first-ever female Executive Officer. Currently, two women have assumed the office of Administrative Officer that is a position equivalent to Executive Officer. As of April 1, 2023, there are 366 female managers and leaders, including nine women holding the position equivalent to executive of group companies.</p>

ii) Foreign nationals

The Company has promoted hiring of career-track employees who have a foreign citizenship since 2016, and a total of 11 employees from nine countries were hired by the Company as of April 1, 2023. Except for healthcare employees, no foreign nationals hold a management or leadership position at present. However, the Company will continue to recruit foreign nationals and train them for leadership and management positions through follow-up under the mentor system so that they are promoted.

iii) Mid-career employees

Mid-career employees are engaged in various business operations in addition to the railway business operation. As of April 1, 2023, 250 mid-career employees were at the management and leadership levels. The Company will continue to actively recruit personnel in the mobility services field as well as in the life design field, such as city development and digital strategy, etc., and train them for management positions, leading to their promotion.

(2) Policies for human resource development and internal environmental development to ensure diversity

In the “JR-West Group Medium-Term Management Plan 2025,” the Company has set forth “Human Capital Management,” with the 3 pillars of “Human resources cultivation,” “Diversity and inclusion,” and “Work engagement.” The Company believes that people that can transform and grow by themselves are the driving force behind its Long-Term Vision, and the Company must support their growth while enhancing diversity and motivation, with the aim of developing creative human resources who can adapt to change, and promote the human capital strategy as an entire group.

In order to realize “Diversity and Inclusion,” we are working to evolve into a corporate group that turns each individual’s diverse characteristics into strengths, positioning the empowerment of women as the highest priority, and proceeding with initiatives from the perspective of career advancement, improving the environment and providing support, as well as expanding recruitment of mid-career professionals and promoting employment of people with disabilities. The status of such efforts to date is as follows.

- i) Establishing the foundation for diverse human resources to be active
- Promotion of “working-style reforms” including improvement of work-life balance of employees through training sessions for supervisors on workplace management, and enrichment of the teleworking environment through enhancement of ICT tools
  - Establishment of various programs that exceed legal requirements, such as expanding the scope of use of the shortened working day system to help employees balance work with childcare and nursing care, regular communication with employees on leave by supervisors to support a smooth return to work after childcare leave, training for supervisors of female employees, further promotion of opportunities to sit for promotion examinations, establishment of a system that allows taking childcare leave in installments and new establishment of postnatal partner leave, as well as encouraging male employees to take childcare leave, the establishment of an in-house childcare center and the new establishment of infertility treatment leave. (The number of male employees taking childcare leave, etc. was 625 in the fiscal year ended March 31, 2023)
  - Utilization of quantitative index, such as employee awareness survey and stress checks, to enhance “mental and physical health” and

	<p>“pride and motivation” of employees, which are positioned as “a foundation for human resource cultivation”</p> <ul style="list-style-type: none"> <li>• In the “JR West Group Medium-Term Management Plan 2025,” the Company set a target of 88% for the “Motivated Workplace Ratio” at the end of the fiscal year ending March 31, 2028 and in order to achieve this target, the Company will conduct a simple assessment of work engagement (pulse survey) every quarter starting in the fiscal year ending March 31, 2024 to increase the frequency of PDCA (plan-do-check-act) cycles</li> <li>• Application of systems under which same-sex partners are covered as equivalent to a spouse, education to enhance understanding of sexual minorities (LGBTQ), and setup of internal and external consultation desks</li> <li>• Promotion of employment of people with disabilities in the entire Group including special subsidiaries (Compared to the statutory employment rate of 2.3%, the employment rate as of June 2022 was 2.86%.)</li> </ul> <p>ii) Development of human resources from a diverse range of careers</p> <ul style="list-style-type: none"> <li>• New establishment of a “sub-career program” that allows employees to engage in work outside the company in order to acquire new skills, and a “career development leave program” that allows employees to study or acquire qualifications, etc. after taking leave</li> <li>• Personnel transfer under an open application system for newly established posts, etc. for the purpose of developing employees who have a great deal of willingness to take on challenges and high motivation</li> <li>• Mutual temporary assignment for personnel exchanges in the Group</li> <li>• Assessment-type training before promotion to cultivate employees at the leadership level of the entire Group</li> <li>• Temporary assignment and assignment to training of employees to companies and research institutions in Japan and abroad to acquire leading-edge technologies and insights</li> <li>• Promotion of business skill acquisition without being bound by time and places through online distance learning</li> <li>• Group-wide support for re-employment into the Group of former employees who have accumulated various experiences outside the Company.</li> <li>• Implementation of career training and re-skilling education for management employees</li> <li>• Re-employment of employees who wish to continue employment after retirement as senior employees, establishment of a senior leader system, a unique re-employment system for leadership-level employees for the purpose of facilitating generational change and passing on skills (As of April 2023, there are approximately 4,600 rehired employees)</li> <li>• New establishment of a grand senior employee system, which is a re-employment system for senior employees and senior leader employees</li> </ul> <p>(3) External evaluation</p> <p>As a result of the aforementioned initiatives, up to the present, the Company has received the following commendations and recognitions.</p> <ul style="list-style-type: none"> <li>• 2022 Certified Health &amp; Productivity Management Outstanding Organizations Recognition Program (“White 500” in Large enterprise category)</li> <li>• “Child-rearing Support Company” (commended by the Minister of Health, Labour and Welfare)</li> </ul>
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|  | <ul style="list-style-type: none"><li>• New Diversity Management Company Selection 100 (commended by the Minister of Economy, Trade and Industry)</li><li>• Highest rating of “Gold” for “Pride Index 2022”</li></ul> |
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External evaluation (in Japanese only)

URL: <https://www.westjr.co.jp/company/action/training/>

#### **IV. Matters Related to the Internal Control System**

##### **1. Basic views on internal control system and progress of system development [Updated]**

Basic views on internal control system and progress of system development are as follows:

The Company positions the internal control system as the foundation for realizing the “JR-West Group Long-Term Vision” based on “Our Purpose,” which is the meaning of the Company’s existence in society and the vision to which we aspire. The Company will create social and economic value by pursuing safety and security and engaging in other compliance and risk management activities.

In order to realize this objective, the following basic initiatives shall be established and continuously improved.

1. Systems to secure the execution by the Directors and employees of their duties to comply with laws and regulations and the Articles of Incorporation
  - (1) Establish a system to ensure legal compliance and corporate ethics in all of the Group’s business activities, toward fostering common values by creating a Code of Conduct and Code of Ethics, including “Corporate Philosophy” and “Safety Charter.”
  - (2) Ensure appropriate operation and oversight of the Board of Directors in accordance with the Regulations of the Board of Directors, and ensure the monitoring and oversight functions by clarifying the responsibilities and authorities related to the execution of duties.
  - (3) With respect to important events related to laws and regulations or corporate ethics in the JR-West Group, a special committee shall deliberate and evaluate such events, and by establishing an internal and external whistle-blowing system, the Company shall respond appropriately and make the necessary reports to the Board of Directors.
  - (4) The status of compliance with laws and regulations in the JR-West Group shall be checked from time to time by the relevant divisions in accordance with internal rules, and any significant events shall be reported to the Board of Directors.
  - (5) The internal audit department, which is the department responsible for internal audits, shall audit the Company’s overall operations and those of its group companies from an independent and objective standpoint, and report the results of internal audits to the Board of Directors.
  - (6) To eliminate any ties with anti-social forces, the Company shall establish a control and supervision department, etc. and develop procedures for dealing with such forces, as well as work closely with external specialized organizations.



2. Systems concerning storage and management of information on the execution by the Directors of their duties
  - (1) Information related to the execution of duties by Directors shall be appropriately prepared, stored, managed, and disposed of as documents or electromagnetic records by each responsible department in accordance with laws, regulations, and internal rules, and shall be maintained in a state that allows access to such information as necessary.
  - (2) Regarding information security, the Company shall formulate policies and measures for the entire JR-West Group and shall establish an information security management system.
3. Regulations concerning management of the risk of loss and other systems
  - (1) The Company shall take the Fukuchiyama Line accident very seriously, and in accordance with the “Corporate Philosophy” and “Safety Charter,” the Company shall establish “Railway Safety Management Manual” and “JR-West Group Railway Safety Think-and-Act Plan,” etc., and establish a safety management system to prevent serious accidents and take prompt and appropriate action when accidents or disasters occur, and shall report necessary safety-related matters, etc., to the Board of Directors in a timely manner.
  - (2) The Company shall regularly evaluate and identify risks that may have a significant impact on the management of the JR-West Group, establish a committee to centrally manage such risks, promote group-wide measures to prevent such risks, and report the deliberations of the committee to the Board of Directors.
  - (3) With regard to risks that may have a significant impact on the management of the JR-West Group, the Company shall establish a department responsible for crisis management and internal rules, share information promptly and accurately in the event of a potentially serious incident, establish a task force as necessary, and establish a company-wide system to ensure the safety and security of customers and employees and minimize losses for the Group.
4. Systems to secure efficient execution by the Directors of their duties
  - (1) As a company with an Audit and Supervisory Committee, decision-making authority for important business operations is largely delegated from the Board of Directors to Executive Officers, and an executive officer system has been introduced to delegate authority to executive officers, etc., to ensure prompt and decisive management decision-making and business execution.
  - (2) The Board of Directors shall deliberate on important management matters and receive reports on safety, internal control systems, and other matters related to the status of business execution in a timely and appropriate manner.
  - (3) The Group Management Committee consisting of the Representative Directors, the Executive Directors, the Executive Officers and the Group Executive Officers designated by the President, etc., shall meet to deliberate on fundamental matters for execution of business.
5. Systems to secure the properness of business activities of the corporate group
  - (1) The Company shall establish a department in charge of group management and establish a system for prior discussion and reporting with the Company on important management matters at group companies, including business plans, personnel and remuneration for directors and audit & supervisory board members, and other matters, as well as after-the-fact reporting.
  - (2) The Company’s officers, etc. shall serve as directors and audit & supervisory board members of important group companies to ensure the legality and effectiveness of group management.
  - (3) Within the JR-West Group, companies shall be established as management units that integrate group companies operating in the same business category and the divisions of JR-West related to the railway business, and these management organizations shall lead, direct and manage the entire management units.
6. Matters concerning the employees to assist the Audit and Supervisory Committee to execute their duties, the matters concerning the independence of the employees from the Directors (excluding Directors who are Audit and Supervisory Committee Members) and the matters concerning the securement of efficiencies of directions to such employees

- (1) The employees of the Board of Directors Office who engage in assisting the Audit and Supervisory Committee shall, independently of any section, execute their duties under the orders and instructions of the Audit and Supervisory Committee.
  - (2) In consideration that such employees are assuming a key role of engaging in part of the supervising and auditing functions, the Company shall appoint them by taking into full account their experience and knowledge and matters regarding personnel changes and evaluations of such employees require the consent of the Audit and Supervisory Committee.
7. System for reporting by directors and employees of the Company and its subsidiaries or any party receiving reports from such persons to the Audit and Supervisory Committee and other systems for reporting to the Audit and Supervisory Committee, and a system to ensure the prevention of unfair treatment because of such reporting
- (1) When a Director, Executive Officer, etc. of the Company or the head of any department in the head office recognizes any act in violation of laws, regulations, or the Articles of Incorporation of the Company or the occurrence of any fact that may cause significant damage to the Company or group companies, he or she shall promptly report such act to the Audit and Supervisory Committee.
  - (2) Internal whistle-blowing reports from within the JR-West Group shall be reported to the full-time Audit and Supervisory Committee Member, who is in charge of handling such reports, at any time or on a regular basis.
  - (3) A system required to ensure that persons who make the above reports, etc. shall not be treated unfavorably because of such reports shall be established.
8. Other systems to ensure effective audits by the Audit and Supervisory Committee
- (1) All expenses incurred by the Audit and Supervisory Committee Members in executing their duties, including consultation with attorneys, auditing firms and other third-party professionals as the necessity arises, shall be borne by the Company.
  - (2) Enhance and strengthen the auditing system of the JR-West Group as a whole, through measures such as holding regular liaison meetings between the Audit and Supervisory Committee Members of the Company and the audit & supervisory board members of group companies.

In addition, in order to ensure the effectiveness of the internal control system and to continuously improve it, the Company shall formulate “Internal Control Management Regulations” regarding the system of responsibility and specific measures to be taken in relation to the internal control system.

## **2. Basic views on eliminating anti-social forces and progress of related efforts**

Basic views on eliminating anti-social forces and progress of related efforts are as follows:

The Group strives to take a resolute stand against anti-social forces and to have no truck with them based on the basic views on internal control system described above and the “Employee Code of Ethics.” Specifically, the system is as follows.

1. Establish a general supervising division, and appoint a manager responsible for preventing unreasonable requests.
2. Work closely with external specialized agencies such as the police and lawyers and gather the necessary information at all times.
3. Prepare response manuals and introduce “Anti-Social Force Elimination Clauses” into all contract types.
4. Conduct thorough education and instruction by distributing “Compliance Guidelines” and holding training and so forth.

## V. Other

### 1. Adoption of anti-takeover measures

Adoption of anti-takeover measures	Not adopted
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#### Supplementary explanation

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### 2. Other matters concerning corporate governance system

The Company complies with laws and regulations such as the Financial Instruments and Exchange Act of Japan and with the Securities Listing Regulations and so forth stipulated by securities exchanges. It also strives to provide timely and appropriate disclosure of information through the following internal systems.

#### 1. Ascertain internal information

With respect to the “important corporate information” set out by the above-mentioned Securities Listing Regulations, the Company has appointed internal sections with responsibility for duties relating to each kind of information and prepared systems to ascertain information securely and to manage it rigorously.

#### 2. Information collection and management

The manager responsible for handling of information shall be appointed, and the manager provides overall management of important corporate information for business management. The Company has also established a secretariat within the Corporate Strategy Division, tasked with collating and managing corporate information.

#### 3. Report to the manager responsible for handling of information

In the event of an incident corresponding to important corporate information, and so forth, the section involved is required to promptly report the information to the manager responsible for handling of information and related officers. In cases where it is not clear whether the event constitutes important corporate information or not, the system requires the section involved to refer to the manager responsible for handling of information on all such occasions.

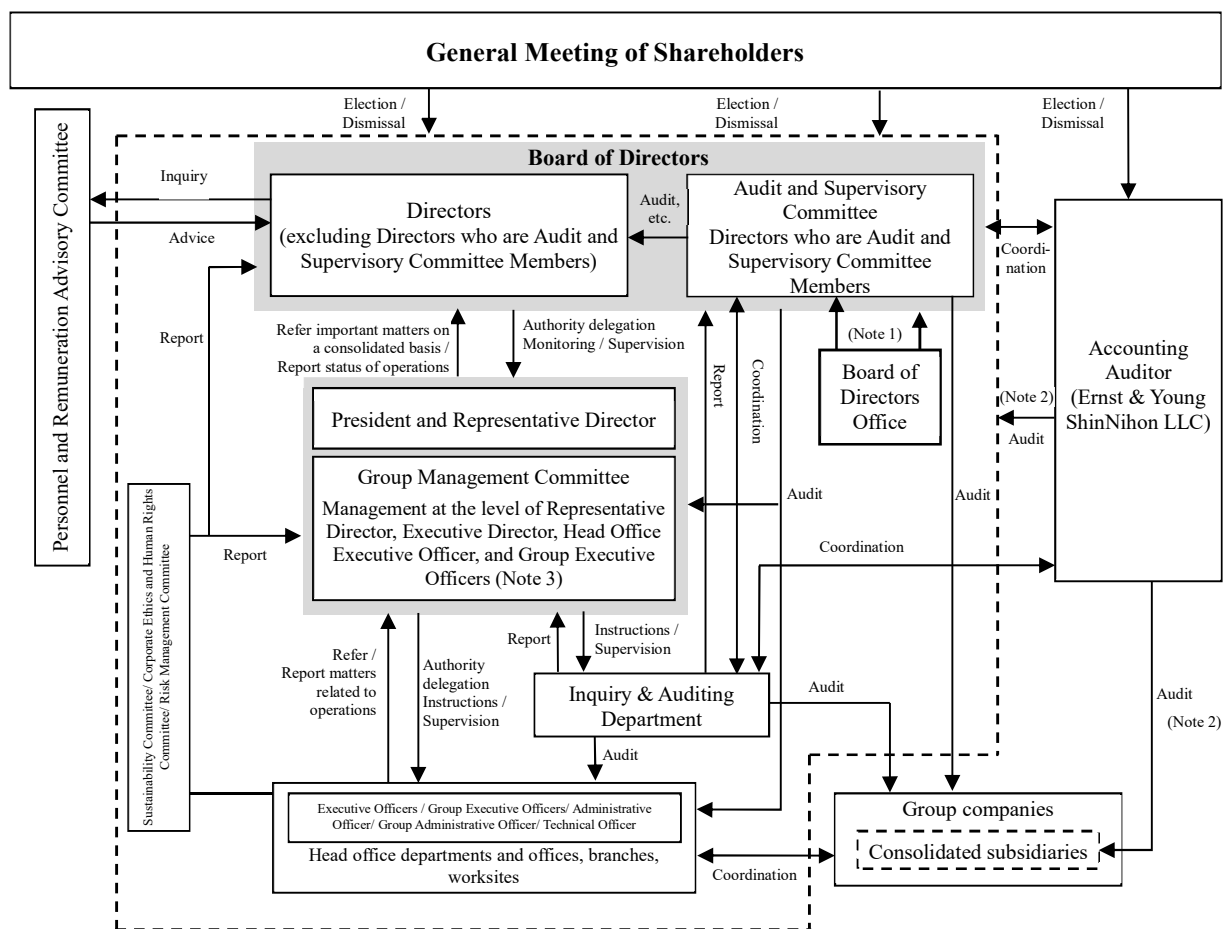
#### 4. Timely and appropriate disclosure of information

For publication of important corporate information, the Corporate Strategy Division plays the central role in coordinating with the Corporate Governance Headquarters, Corporate Communications Department, Tokyo Headquarters, and other relevant internal sections, and promptly provides the information by TDnet, etc., in an effort to ensure timely and appropriate disclosure of information.

#### 5. Formulation, notification, and penetration of internal rules

Basic matters relating to management and so forth of corporate information are set out in the “Regulations for Prevention of Insider Trading.” To ensure timely and appropriate information disclosure, the Company strives to notify these internal rules to officers and employees, and so forth, and to help them penetrate.

[Reference 1] Corporate governance system



- Notes
1. The Board of Directors Office has been established as an organization that supports duties of the Board of Directors and the Audit and Supervisory Committee, and exclusive assistant employees whose independence is ensured from executive directors have been appointed.
  2. [Dashed box] denotes audit scope of the Accounting Auditor.
  3. A Group Executive Officer means a chief operating officer who is appointed at the Board of Directors and, based on decision-making of the Board of Directors or an executive director, executes business operations of group companies as a person who undertakes missions and roles of improving corporate value of the entire Group from a standpoint equivalent to an executive officer.

[Reference 2] Knowledge, experience and abilities, etc. possessed by the Director candidates (Including Director candidates who are Audit and Supervisory Committee Members) (Skill Matrix)

To realize the five key strategies in the “JR West Group Medium-Term Management Plan 2025”: “Improve safety of railways,” “Revitalize and restructure core businesses (railway business and Group business),” “Further evolve real estate and city development,” “Develop diverse services via digital strategy” and “Create new businesses,” in order for the Board of Directors to make appropriate decisions in a timely manner and to exercise a highly effective monitoring and supervisory function, the skills (knowledge, experience, abilities, etc.) currently considered important for the Board of Directors are defined as (i) corporate management, (ii) governance, (iii) safety and quality, (iv) customer satisfaction and marketing, (v) innovation and global environment, (vi) city development and (vii) coexistence with local communities.

The Company believes that the components of ESG-related skills are included in each of the seven individual skills, and that all board members should be equipped to exhibit each of these skills.

The table below lists the skills that each Director candidate currently possesses and is expected to demonstrate in particular with regard to the above seven skills.

		Skills particularly expected to be displayed (major components stated in the lower column)						
		Corporate management	Governance	Safety/Quality	Customer satisfaction/Marketing	Innovation/Global environment	City development	Coexistence with local communities
		Strategy Organization development Finance strategy	Legal affairs Risk management Diversity Human rights Human resources development	Safety-related technologies/ Safety management Quality management	Customer value creation Expanding businesses in new fields Branding	DX/ Advanced technology Productivity improvement Realization of a Decarbonized Society Energy savings	Real estate development Enhancing the convenience of the railway network Improving the appeal of cities	Tourism/ Industrial development Local culture development Sustainable transportation systems
Kazuaki Hasegawa	Representative Director (Chairman of the Board of Directors)	●		●			●	
Hikaru Takagi	Director (Independent, External)		●					
Yoshinobu Tsutsui	Director (Independent, External)	●	●		●			
Haruko Nozaki	Director (Independent, External)		●					●
Kenji Iino	Director (Independent, External)	●			●		●	
Yoshiyuki Miyabe	Director (Independent, External)	●		●		●		
Fumito Ogata	Representative Director	●		●			●	
Shoji Kurasaka	Representative Director	●	●					●
Keijiro Nakamura	Representative Director	●		●				●
Eiji Tsubone	Director	●			●	●		
Hiroaki Maeda	Director		●	●				
Masatoshi Miwa	Director	●	●					
Hideo Okuda	Director	●			●	●		

		Skills particularly expected to be displayed (major components stated in the lower column)						
		Corporate management	Governance	Safety/Quality	Customer satisfaction/Marketing	Innovation/Global environment	City development	Coexistence with local communities
		Strategy Organization development Finance strategy	Legal affairs Risk management Diversity Human rights Human resources development	Safety-related technologies/ Safety management Quality management	Customer value creation Expanding businesses in new fields Branding	DX/ Advanced technology Productivity improvement Realization of a Decarbonized Society Energy savings	Real estate development Enhancing the convenience of the railway network Improving the appeal of cities	Tourism/ Industrial development Local culture development Sustainable transportation systems
Maki Ogura	Director who is a full-time Audit and Supervisory Committee Member (Independent, External, Chairman of Audit and Supervisory Committee)		●					
Makiko Tada	Director who is a full-time Audit and Supervisory Committee Member			●	●			●
Emiko Hazama	Director who is an Audit and Supervisory Committee Member (Independent, External)		●					●
Kenryo Goto	Director who is an Audit and Supervisory Committee Member (Independent, External)	●	●					

- Notes: 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 “●.”
2. The above table is not an exhaustive list of all the knowledge, experience, ability, etc., the individuals possess.

[Reference 3] Remuneration Categories and Payment Criteria, etc.

Remuneration Category	Payment Criteria			Payment Method	Remuneration composition *2	
Basic remuneration	Remuneration table based on management responsibilities and paid at an appropriate level			Paid in cash every month	60%	
Performance-evaluation remuneration *1	Company performance portion	Financial indicators	Consolidated profits	70%	Paid in cash at certain times of the year	30%
			Asset efficiency			
		Share of consolidated profits in the life design field				
	Non-financial indicators	Railway safety				
Global environment						
	Individual performance portion		Work engagement	30%		
	Main KPIs in the divisions for which each Director is responsible					
Share-based remuneration	Provided at a base amount according to management responsibilities			Payment of monetary claims at a certain time and delivery of restricted shares in exchange for payment of such claims	10%	

\*1 For Representative Director and President, etc., only the company performance portion is applied

\*2 When all performance indicators reach KPI targets set at the beginning of the full fiscal year