

## Revision of the Medium-Term Management Plan 2008–2012 (announced October 2010)

The Medium-Term Management Plan 2008–2012 was established in May 2008. The basic policies of this plan emphasized the importance of returning to the starting point of the Group's business, which can be described as realizing the JR-West Corporate Philosophy. The plan also outlined medium- to long-term strategies geared toward accomplishing this objective.

However, the operating environment has become significantly harsher than it was at the time the JR-West Group's Medium-Term Management Plan 2008–2012 was formulated. Factors contributing to this harsh environment include the rapid deterioration of the economy that began in fall 2008 and the implementation of government initiatives such as the March 2009 lowering of expressway tolls.

Further, in fall 2009, a serious compliance-related issue was uncovered within the Company, which not only caused great emotional distraught for the victims of the Fukuchiyama Line accident, but also severely damaged society's trust in the Company. Faced with this unprecedented harsh environment, we decided to revise the current medium-term management plan, scheduled to end in fiscal 2013. We want to focus emphasis on long-term sustainability in our approach to management while further clarifying and realizing our medium- to long-term management vision.

Under this new plan, all Group employees will come together as one, working to rebuild society's trust in the Company and facilitate the recovery of its business results.

### New Strategies to Realize our Management Vision Management Vision

Ever mindful of the Fukuchiyama Line accident and with a view to realizing our Corporate Philosophy, we aim to be a corporate group that pursues sustainable growth based on safety and reliability, contributes to the invigoration of the West Japan area through its business activities, establishes superior safety management, and earns the trust of customers, communities, and society.

### Three Pillars of Management Unchanged

Under the revised medium-term management plan, we will continue vigorously advancing the three pillars of management below and mount a concerted Group effort to build railway operations that consistently put safety first, thereby affording customers peace of mind and earning their trust.

- Measures to have ourselves accepted as acting with the best of intentions by the victims of the train accident
- Measures to enhance safety
- Furthering of reform

### Three New Strategies

In October 2010, JR-West revised the medium-term management plan prepared in May 2008, adding three strategies: coexistence with local communities, innovation through technology, and thinking and acting based on sites. Previously, JR-West has addressed each of these themes in a variety of different ways. However, JR-West has set out these strategies to indicate clearly how the Company will sustain growth as Japan enters an era of population decline in earnest.

## KEY STRATEGIES TO REALIZE OUR MANAGEMENT VISION

