

CSR Overview

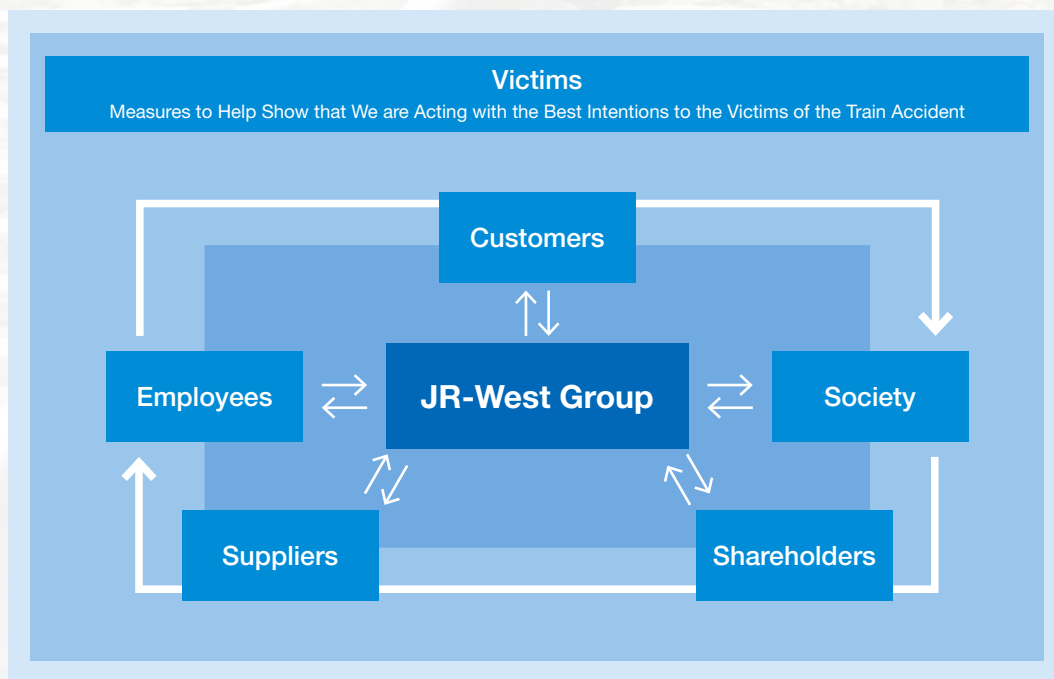
Pursuing Think-and-Act Initiatives to Realize Our Corporate Philosophy

The JR-West Corporate Philosophy and Safety Charter form the foundation of our management. Created in the wake of the Fukuchiyama Line accident, we consider our Corporate Philosophy to be a contract with society that we decided after extensive discussion among all executive officers and employees, based on our determination to be a company that places top priority on safety and to never again allow a serious accident to happen. Therefore, we consider putting our Corporate Philosophy into practice to be the CSR of JR-West. Our Corporate Philosophy and

Safety Charter foster a common attitude in all of our executive officers and employees of steadily increasing safety and customer satisfaction; responding to the expectations of customers, society, shareholders, suppliers, and other stakeholders; and achieving sustainable development into the future. Toward that end, JR-West is committed to continuously thinking and acting as a unified entity.



Please see our Corporate Philosophy and Safety Charter on **page 1**



Relationship between Stakeholders and the JR-West Group

Having employees who are motivated, take pride in their work, and provide high-quality service results in satisfaction and a sense of safety and peace of mind for customers, and contributes to the invigoration of the West Japan area. With the profits earned under such conditions, we will assure the sustainability of operations, and build good relationships with shareholders and suppliers.

Corporate Philosophy

Providing greater value to society

High-Priority CSR Fields

Safety

Customer satisfaction

Coexistence with communities

Human resources / Motivation

Global environment

Compliance

Disclosure

Crisis management

Thinking and acting based on the field

Pursuing CSR by Thinking and Acting Based on the Field

In order to uphold our Corporate Philosophy and provide greater value to society through our business activities, we have specified eight high-priority CSR fields in reflection of society's demands.

To maintain reliable railways that passengers can use safely and with peace of mind, we believe it is important for all JR-West Group employees at all of our workplaces to maintain a constant awareness of customers, to share the common understanding of the various issues that arise at front-line work sites, and to autonomously and collaboratively work to solve them with a sense of urgency. The JR-West Group pursues CSR by having every one of our employees embrace this "thinking and acting based on the field" as the guiding principle of conduct.

External recognition



FTSE4Good



FTSE Blossom
Japan



2017 Constituent
MSCI Japan ESG
Select Leaders Index



2017 Constituent
MSCI Japan Empowering
Women Index (WIN)

JR-West has been included in all three ESG indices selected by the Government Pension Investment Fund (GPIF): the FTSE Blossom Japan Index, the MSCI Japan ESG Select Leaders Index, and the MSCI Japan Empowering Women Index (WIN).

ESG Highlight

Global Environment



Environmental Accounting (Fiscal Year Ended March 2017)

		(Billions of yen)						
Category		Cost of preventing pollution	Cost of preserving the global environment	Cost of resource recycling	Cost of management activities	Research and development costs	Cost of social activities	Cost of environmental protection measures
Environmental preservation costs	Investment amounts	0.28	47.00	0.07	0.00	0.00	0.00	0.00
	Expense amounts	0.29	0.25	12.96	0.09	1.31	0.01	0.17

Environmental Burden

				(Data for the Fiscal Year Ended March 2017)	
INPUT	Electricity	Used to operate trains (electric), etc.	3.14 billion kWh [380 million kWh]	Volume of used materials generated (facility construction)	152,100 t
	Diesel fuel	Use to operate trains (diesel railcars), etc.	26,166 kl [175 kl]	Recycling volume	142,900 t (94%)
	Fuel oil	Used at boilers in maintenance centers, etc., and for heating offices	3,552 kl [136 kl]	Volume of used materials generated (railcars)	14,300 t
	Type A heavy oil	Used in maintenance centers and other boilers	1,200 kl [1,380 kl]	Recycling volume	13,000 t (92%)
	Gasoline	Used in commercial vehicles, etc.	1,129 kl [968 kl]	Total amount of station and train waste	12,300 t
	Natural gas	Used to heat water at offices, etc.	2,130,000 m³ [17,630,000 m³]	Of which, recyclable waste	5,400 t
	Propane gas	Used to heat water at offices, etc.	273 t [24 t]	Recycling of recyclable waste	5,300 t (98%)
	Water	Waterworks	3,770,000 m³ [2,940,000 m³]	Carbon dioxide*2	1,933,000 t-CO ₂
	Water	Groundwater, industrial water, recycled water*1	9,500 m³	Wastewater*3	7,720,000 m³
	A4-sized copy paper	Used for copying, etc.	170 millions of sheets [190 millions of sheets]	Industrial waste*4 <Reported to the authorities as industrial waste>	35,300 t [466,000 t]

Figures within [] indicate values for consolidated subsidiaries and other Group companies (noted elsewhere).

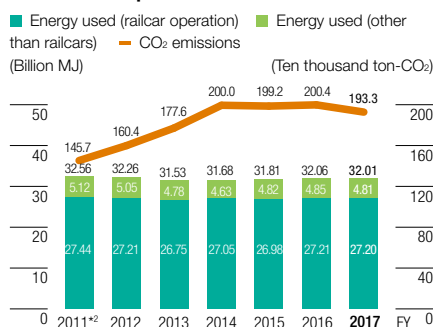
*1 Figures indicated for water <groundwater, industrial water, recycled water> indicate only those that can be technically measured, including at Osaka Station and maintenance centers.

*2 Carbon dioxide emissions are calculated according to methods stipulated in the Act on the Rational Use of Energy and the Act of Promotion of Global Warming Countermeasures.

*3 Figures indicated for wastewater include only those that can be technically measured, including water released into rivers and water released into sewerage.

*4 Group company emissions include those generated during subcontracted JR-related construction.

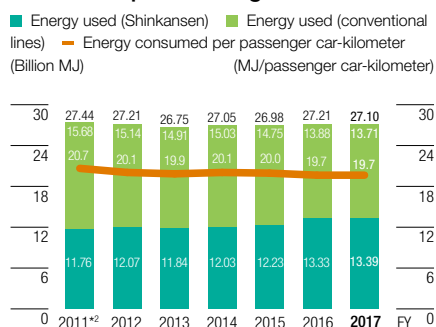
Energy Used and CO₂ Emitted*1 in Business Operations



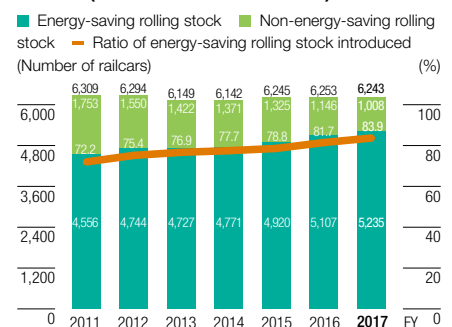
*1 CO₂ emissions (= GHG emissions): The CO₂ equivalent of greenhouse gas emissions (=GHG emissions)

*2 Base year targets in the JR-West Group Medium-Term Management Plan 2017

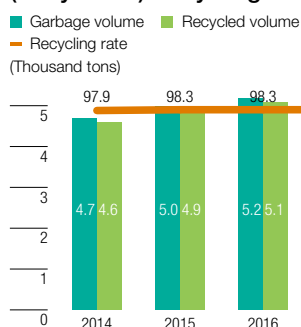
Railway Operation Energy and Energy Consumed per Passenger Car-Kilometer



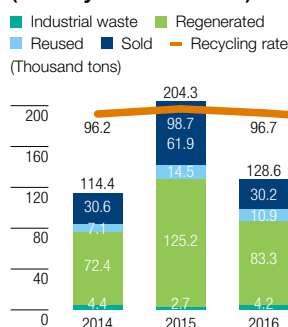
Adoption of Energy-Saving Rolling Stock (Commercial Vehicles)



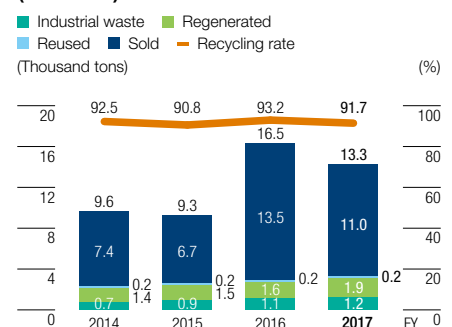
Station and Train Garbage (Recyclable) Recycling



Status of 3Rs in Railway Materials (Facility Construction)



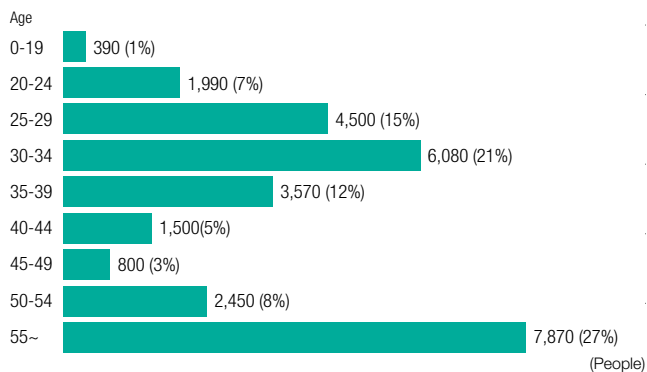
Status of 3Rs in Railway Materials (Railcars)



Human Resources / Motivation

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Employee Composition by Age, as of April 1, 2017



Percentage of Female Workers (Indicating Managers and Executives Separately)

Overall	Managers	Executives
11%	2%	2%

* As of April 1, 2016

Percentage of People Taking Paid Leave

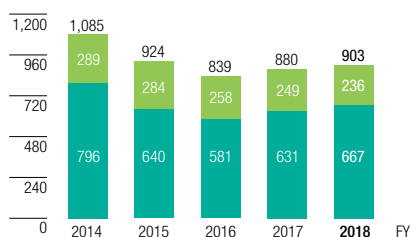
Overall
81%

* Average number of days used in fiscal 2017: 16.2 of 20 days

People Recruited

■ New graduates, etc. (including second-time graduates)
■ Promoting contract employees to full-time employees and recruiting experienced personnel

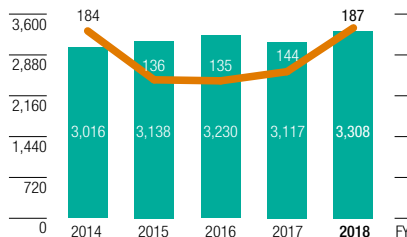
(People)



Female Employees and Number of New Recruits

■ Female employees ■ Number of new female recruits

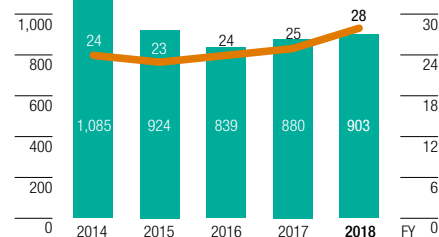
(People)



Ratio of Women Recruited

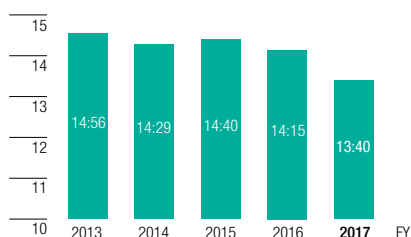
■ Overall ■ Women recruited as percentage of total

(People)



Average Overtime Hours

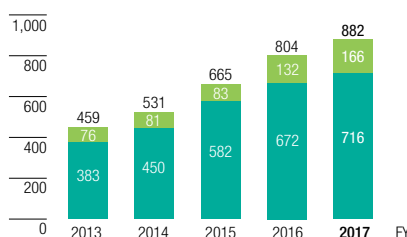
(Hours per month)



People Taking Childcare Leave

■ Women ■ Men

(People)

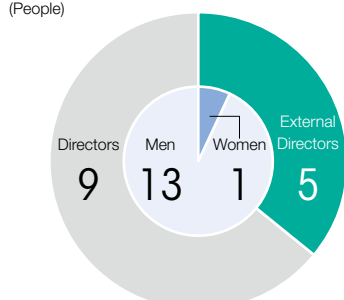


Corporate Governance

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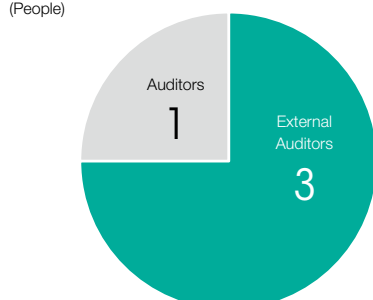
Board of Directors Composition

(People)



Audit & Supervisory Board Composition

(People)



Remuneration of Directors and Audit & Supervisory Board Members

Category	Remuneration Amount
Directors	¥464 million
Audit & Supervisory Board Members	¥ 75 million
Total	¥540 million

Safety

Value provided to society

- Safely transport passengers to their destinations
- Prevent all major occupational injuries and fatalities

BASIC APPROACH

Safety is of the highest priority at JR-West. The first item in our Corporate Philosophy states, “We, being conscious of our responsibility for protecting the truly precious lives of our customers, and incessantly acting on the basis of safety first, will build a railway that assures our customers of its safety and reliability.” On this basis, we have formulated a “Safety Charter” of specific action guidelines and are undertaking a variety of measures to enhance safety.

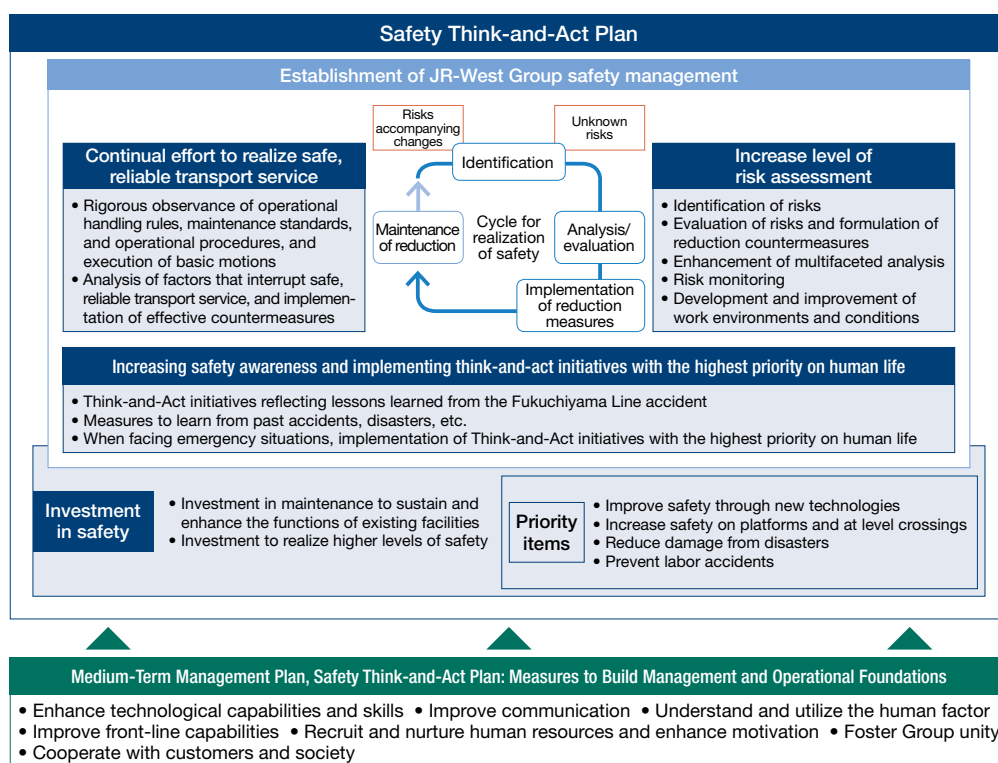
Safety is also the core strategy of the JR-West Group Medium-Term Management Plan 2017, and we aim to attain higher levels of safety by steadily implementing our Safety Think-and-Act Plan 2017. Having caused the

Fukuchiyama Line accident, JR-West recognizes, as a critical safety measure, the need for the risk assessments we introduced in light of our inability to prevent this accident. To this end, in fiscal 2017 we have taken further steps to foster a culture of reporting information, aiming to realize safety management in which all employees participate.

Our safety initiatives are ongoing and we are moving forward with various tangible and intangible initiatives to augment our safety management structure in order to enhance safety further. We remain unwavering in our resolve that an accident like the Fukuchiyama Line accident will never happen again, and each of us is unceasing in our efforts to ensure safety.

Safety Think-and-Act Plan JR-West established Safety Think-and-Act Plan 2017 in March 2013 as a concrete plan for the fundamental strategy of “safety” in the JR-West Group Medium-Term Management Plan 2017. The pillars of this plan comprise continual efforts to realize a safe,

reliable transport service; increase the level of risk assessment; increase safety awareness and implement think-and-act initiatives with the highest priority on human life; and invest in safety measures. Our goals in these areas are expressed by a five point numerical scale.



Final Targets

Targets for the five-year period up to fiscal 2018

Railway accidents that result in casualties among our customers

Zero

Labor accidents that result in fatalities among our employees

Zero

Targets for fiscal 2018*

* Compared with fiscal 2013

Railway accidents with casualties on platforms

30% reduction

Accidents at level crossings

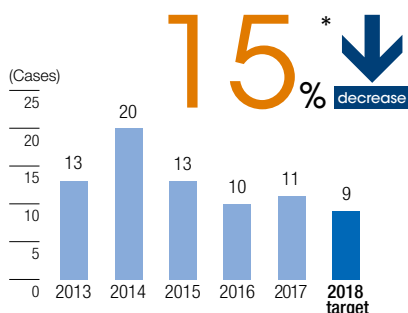
40% reduction

Transport disruptions due to internal factors

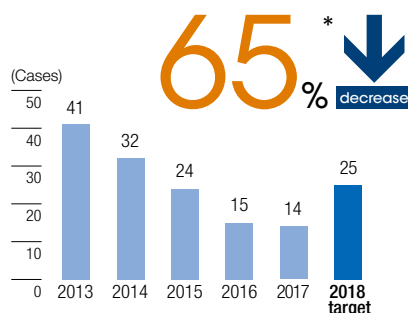
50% reduction

Reducing Railway Accidents with Casualties on Platforms, Accidents at Level Crossings, and Transportation Disruptions Due to Internal Factors

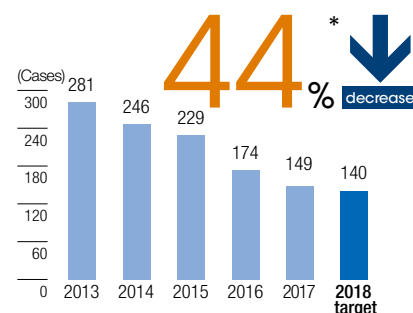
Railway Accidents with Casualties on Platforms



Accidents at Level Crossings



Transportation Disruptions Due to Internal Factors



* In comparison with fiscal 2013

ZOOM IN

Further Enhancing Our Safety Management Systems

To ensure ongoing increases in railway safety, it is important to regularly check the effectiveness of safety management systems and make necessary improvements.

In fiscal 2016, we had an external third-party institution evaluate our safety management systems. Through this evaluation by an objective and specialized third party, we are working to create and operate more effective safety management systems, enhancing them further.

Based on advice we received in four domains in fiscal 2016, we put in place the foundations for improvement and promoted a number of activities in fiscal 2017. However, in the current evaluation we were told that we should continue with our efforts in these four domains, and we received more in-depth advice. Including the new advice that we received in the current evaluation, we will continue considering and steadily implementing appropriate improvements.

Four Domains

Improvement Domains	Principal Advice Received in Fiscal 2016
(1) Put in place and increase the effectiveness of safety management systems	<ul style="list-style-type: none"> Establish clear standards Reinforce maintenance and measurement processes
(2) Improve and augment risk assessment, etc.	<ul style="list-style-type: none"> Clarify evaluation standards and improve methods and procedures
(3) Increase the effectiveness of safety management system audits (internal audits)	<ul style="list-style-type: none"> Put in place frameworks that are not unreasonable or wasteful Increase auditing capabilities and quantities
(4) Improve the organization's internal communication process	<ul style="list-style-type: none"> Effectively evaluate and improve communication processes

Major Improvement Initiatives

Established the Safety Management Review Council
Prepared to establish the Safety Management Strategy Office
Formulated Risk Assessment Standards
Improved internal auditing processes
Inaugurated Top Safety Management Training

Principal Advice Received in Fiscal 2017

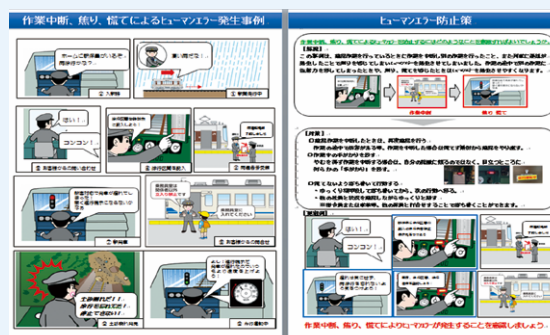
Put in place Companywide training and reflect on the post-accident situation
Review past measures to prevent accidents
Increase the effectiveness of safety meetings
Improve communications with other railway operators

Initiatives Aimed at Realizing Safety Management in Which All Employees Participate

Since the Fukuchiyama Line accident that occurred on April 25, 2005, the Company is firmly resolved that an accident of this type shall not happen again. In line with this resolve, we have introduced risk assessments and undertaken a variety of initiatives to improve safety. Our initiatives to date have mainly been on the tangible front, and we have achieved some successes, including the enhancement of countermeasures. However, to enhance safety going forward, we need to further cultivate a reporting-oriented culture and accumulate more safety-related information. We also need to address intangible countermeasures.

To report, gather, analyze, and make use of information on human error from a variety of perspectives from all employees and with the aim of realizing safety management in which all employees participate, in fiscal 2016 we revised our handling and negative evaluation of errors, further promoting our initiatives to date. To gather even more information on factors that lead to accidents, we have begun making use of recorded data from driving status recording devices.

These efforts have proven more effective at ascertaining situations accurately and improving training for people that generated errors. Furthermore, we have created and are making use of training materials from a "human factor" perspective.



Example of training materials created from the "human factor" perspective

Customer Satisfaction

Value provided to society

- Services that assure our customers of safety and reliability, including a railway with high transport quality
- Comfortable and convenient services that perceive customer expectations and respond to diverse needs

BASIC APPROACH

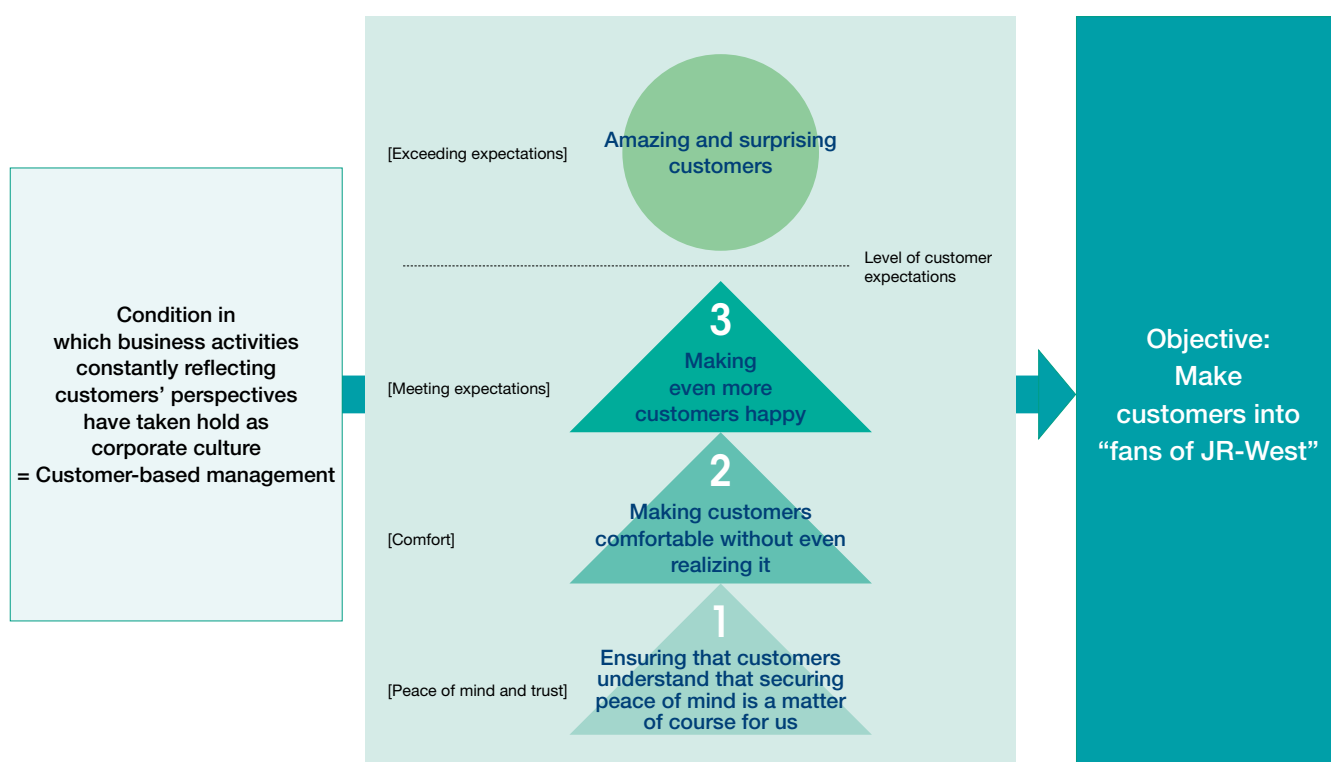
The JR-West Group's Customer Satisfaction Vision 2017 expresses the Group's goals for maximizing customer satisfaction. We are redoubling our efforts to increase the value we provide customers, aiming to convert them into "fans of JR-West." We strive to enhance customer satisfaction by responding swiftly and sincerely to customer input, meeting the changing needs of the times, and ascertaining the needs and expectations of our increasingly diverse customers.

All JR-West Group employees are working constantly to increase the number of "fans of JR-West" by adopting a customer-oriented perspective and practicing customer-based management.

Target for fiscal 2018

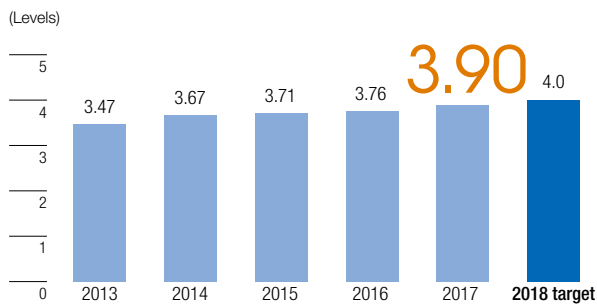
Make customers into "fans of JR-West" ➡ Achieve customer satisfaction survey result of 4.0 or above

Customer Satisfaction Vision 2017



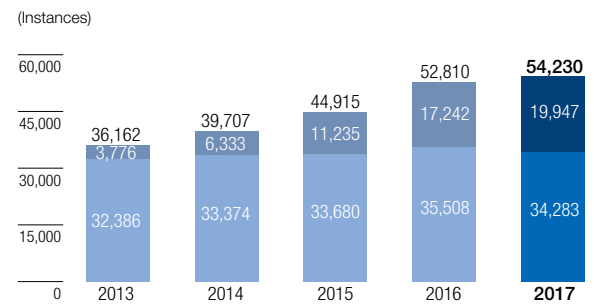
Increasing Levels of Customer Satisfaction and More Thanks and Appreciation in Customer Feedback

Customer Satisfaction (Five Levels, Internal Survey)



Customer Feedback

■ Opinions and requests ■ Thanks and Appreciation



ZOOM IN

Providing Information when Trains are Delayed

Preventing train delays is one of a railway operator's most important missions. Nevertheless, sometimes delays are inevitable, due to such factors as natural disasters. In the event of train delays, we recognize the importance of relaying easy-to-understand information about operations in a timely manner.

On the tangible front, we have erected displays in stations and within trains, disseminating information in a visual, easily understandable manner. Station and train crews are provided with tablet devices so they can respond in detail when necessary. On the intangible front, we conduct routine training about transmitting and broadcasting information, allowing on-site personnel to communicate with control center, station and train crews when trains are delayed. In these ways, we strive to provide accurate information quickly and in an easy-to-understand manner.

As many passengers now carry smartphones and other mobile devices, we are now working to notify customers directly about transport disruptions and train locations, so that they know about conditions even when not in a station or train.

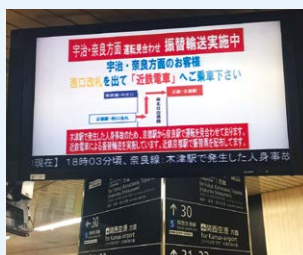
Providing Appropriate Information That Is Easy to Understand

In major stations, we are striving to erect easy-to-understand equipment for customers who use stations for the first time. For example, we are improving the visibility of notification signs, introducing line colors on timetable displays, and setting up displays to provide information when unusual events occur. We have also installed "Midori no Kembaiki Plus" ticket vending machines that communicate with call center operators to enhance customer service.

As the number of foreign visitors to Japan is increasing, we are also displaying and broadcasting information in multiple languages.



Increasing the number of timetable displays at key stations and upgrading notification signs (West Exit of Kyoto Station)



Various methods of informing customers in stations



Push-type notification app (as viewed on a mobile phone)

Service to provide information on train locations (as viewed on a mobile phone)

関西空港 運行情報			
Service disruptions		発生地点等状況	
Current as of 17:34		17:34 現在	
A JR Kyoto Line	JR 京都線	JR 京浜東北線	JR 京浜東北線
A JR Kobe Line	JR 神戸線	JR 京葉線	JR 京葉線
G Kusatsu Line	草津線	JR 東武東上線	JR 東武東上線
JR Takarazuka Line	JR 宝塚線	JR 東武東上線	JR 東武東上線
JR Tozai Line	JR 東西線	JR 東武東上線	JR 東武東上線
H Gakkentoshi Line	学研都市線	JR 東武東上線	JR 東武東上線

In-train notices displayed in four languages

Coexistence with Communities

Value provided to society

- Development along railway lines that creates attractive communities to live in and visit
- Tourism promotion with local partners that leverages the strengths of railways
- Working with local partners to invigorate communities through business development tailored to each area

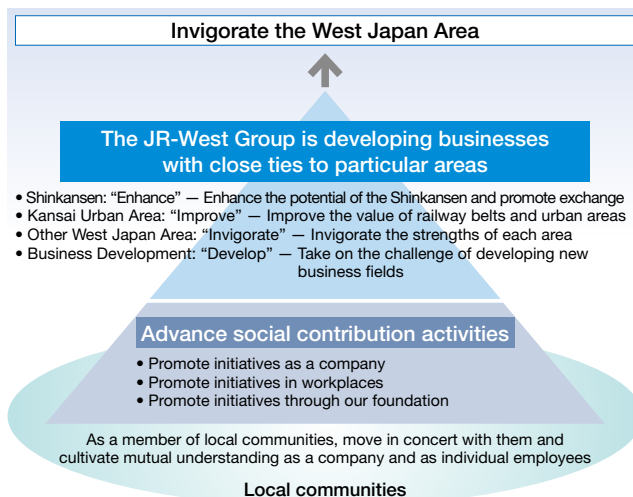
BASIC APPROACH

As a railway operator, we must remain close to the communities we serve. Movements throughout Japan aimed at regional revitalization are expanding, with positive outcomes from specific initiatives emerging. Given this situation, the JR-West Group remains steadfast in its commitment to build win-win relationships with local partners and work together with them toward the goal of invigoration. For the JR-West Group, such efforts represent the key to its sustainable growth. That is why we emphasize being a “railway company that coexists with communities” under “Our Future Direction: The Ideal Form for JR-West” in the medium-term management plan, which we are currently implementing. True to the theme of this plan, “Taking the Next Step. Working together with communities,” the Group shares its targets and decision points.

Specifically, we believe it is important to maintain dialogue with local residents and establish human networks between residents and the Group in each area to achieve a common understanding of local issues and demands, and cooperate in exploring an ideal form for communities.

We will also conduct ongoing initiatives to strengthen cooperation with local governments and businesses regarding development of stations and surroundings, tourism promotion, local transportation, and business development grounded in the area. At the same time, we will address community issues by leveraging Group characteristics as we strive to continue growing and practicing “area management.”

Coexistence with Communities—Overview



ZOOM IN

Fukuchiyama Branch Region Liaison Office Activities

The Fukuchiyama Branch Region Liaison Office, which commenced operations in June 2016, is working to create a liaison network with the community, as well as to discover, create, and disseminate information on the region’s attractions. One such initiative aims to discover and provide information about ii mono (nice things) in the Kita Kinki area by working with local universities and financial institutions. In particular, we have been working with the University of Fukuchiyama to provide joint events at shops in Kinosakionsen Station and within Osaka Station, as well as at other locations. We plan to continue striving to invigorate the community through such industry–academia collaboration in the Kita Kinki region.

We have also set up a member fan club aimed at raising interest in and fondness for the Company among residents along our train lines. We exchanged views with members at a fan club event held in April 2017, which was well received by participants. Going forward, we intend to keep collaborating in various ways with people in local communities to enhance awareness of JR-West as a community member and pursue development in tandem with the region.



Event at Osaka Station:
Tajima Tamba Ii Mono Marche



Member fan club:
Kita Kinki JR Collaboration Circle

Human Resources / Motivation

Value provided to society

- Increasing customer safety and trust by cultivating employees and enhancing their work motivation
<Human resource cultivation> <Work motivation> <Health management> <Human resource recruiting>

BASIC APPROACH

The power of individual employees supports the JR-West Group's business operations. Operating in a business environment char-

acterized by rapid ongoing change, we cultivate human resources in the aim of maximizing individual capabilities. Deploying employees' strengths appropriately and in the right locations raises organizational productivity and growth. In particular, we are concentrating on the development of personnel who will become future managers. Specifically, we are augmenting the practical skills of people who oversee various specialized areas of train operations, passing on technologies and enhancing the management skills of key leaders in operational execution.

We practice health management because supporting employee health is important from a management perspective. Our diversity promotion efforts include moves to support the career advancement of employees who are balancing work with child-rearing or providing nursing care, and we provide working opportunities for people regardless of disabilities. In these ways, we are striving to create an environment in which diverse employees can

work enthusiastically. By pursuing work style reforms that include flexible working styles, we also encourage employees to live more fulfilling work and private lives.

We believe that the starting point for such reforms is to encourage employees to think and act for themselves. Through the accumulation of efforts and occasionally taking on new challenges, we expect employees to generate various sorts of value that will enable us to meet the expectations of customers and shareholders. At the same time, employees can feel pride and motivation in their work, encouraging future growth. By repeating this positive cycle, the Group aims to achieve sustainable growth.

ZOOM IN

Diversity Promotion and Work Style Reform

Regardless of gender, age, and other superficial differences, we look at employees as individuals with a wealth of internal characteristics, including their values and capabilities. We aim to help our employees make the most of their strengths, as we believe this will result in a more energetic and active company.

Accordingly, we promote diversity and work style reforms. To realize diversity, we conduct seminars for employees taking childcare leave to ease their return to the workplace. To increase the number of employment opportunities for people with disabilities, we have expanded the scope of activities of special subsidiary JR West Iwill Co., Ltd., and we are engaging in a variety of other activities as well. Among our work style reforms, we are continuing with activities to enhance employee health, and we were selected by the Ministry of Economy, Trade and Industry for excellence in health management in the large company division (White 500). We frequently share messages from the president with employees regarding our values on work style reform. We have also introduced additional work style reforms at our headquarters, and we are trialing a teleworking system that makes use of information and communication technologies.



Seminar for employees taking childcare leave



An employee making use of teleworking

Global Environment

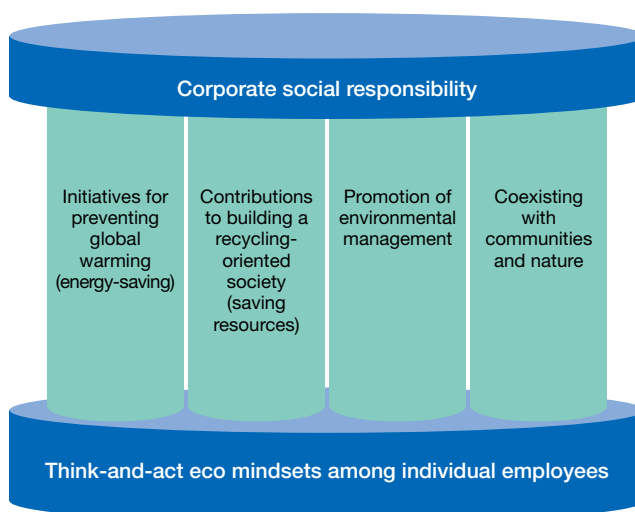
Value provided to society

- An energy-conserving, environment-friendly railway
- Contributing to society's sustainable development by promoting the use of railways

BASIC APPROACH

Protecting the global environment is one of a company's important social responsibilities. The JR-West Group strives

to work together to foster a deeper understanding of the interaction between its corporate activities and the global environment in the aim of contributing to society's sustainable development. Specifically, we are striving to foster an "eco mindset" among our employees—increasing awareness about creative ways to protect the global environment. We have established four pillars of activities based on this mindset: preventing global warming, contributing to the construction of a recycling-oriented society, promoting environmental management, and fostering coexistence with communities and nature. On this basis, we are adopting energy-saving rolling stock and facilities, working to recycle and reduce materials waste from railway construction, complying with environmental legislation^{*1}, preventing the risk of environmental pollution, and engaging in Club J-west Forest^{*2} conservation activities.



^{*1} Conforming to environmental legislation: With regard to the global environment, we use the word "conformance" based on instructions from the Japan Accreditation Board, an institution that provides accreditation on ISO and other standards.

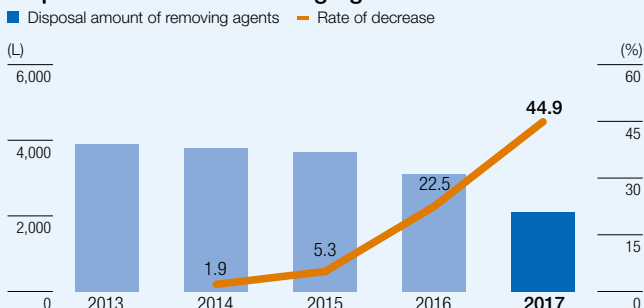
^{*2} Club J-WEST Forest: This is a forest targeted for protection activities. People who hold the JR-West Card, a credit card issued by the Company, can donate carbon offset benefits by exchanging the points they earn when using the card. ("Carbon offset" refers to a way of counteracting the unavoidable emission of CO₂ and other greenhouse gases during our everyday lives and economic activities by investing in activities to curtail greenhouse gases commensurate with these emissions.)

ZOOM IN

Initiatives to Provide Environment-Friendly Station Buildings and Railcars

Wax is generally used on railcar and other floors to make the surfaces attractive, but the agents used to remove this wax have a high environmental impact. Also, wax durability is low, so it needs to be reapplied once every month or two. In the aim of halving the amount of removing agent used by fiscal 2018 (compared with fiscal 2013), West Japan Railway KANAZAWA Maintec Co., Ltd., introduced a glass coating technology that increases the durability of wax by more than 10 times and does not require removing agents. Through repeated trial and error at the testing stage, the company accumulated expertise that culminated in the establishment of a high-quality glass coating application technology. As a result, in fiscal 2018—the fifth year since the effort began—we expect to reduce the amount of removing agent used by more than 70% compared with fiscal 2013 levels.

Disposal Amount of Removing Agents and Rate of Decrease



An attractively glass-coated floor