

The West Japan Railway Company Group (the JR-West Group) formulated the JR-West Group's Medium-Term Management Plan in May 2008. This new plan will provide us with a fresh start, and bring us back to the basis of our management efforts—the realization of our Corporate Philosophy. Under this plan, we will seek to redouble efforts to establish “a corporate culture that places top priority on safety,” make further safety enhancements, regain the trust of customers, and achieve the sustainable growth based on these efforts.

Our primary management goal is “Build a corporate system to ensure no accidents to produce casualties among our customers and no serious labor accidents to our employees.” We consider safety measures to be our highest priority, and pledge never to forget the Fukuchiyama Line accident. The JR-West Group has implemented numerous initiatives to improve safety and regain the trust of customers, and achieved most of the goals in its Safety Enhancement Plan. Some issues still need to be addressed, however, such as transforming the corporate culture and sense of value. As a response to the publication in June 2007 of the investigative report by the Aircraft and Railway Accidents Investigation Commission, in April 2008 we created a new Basic Safety Plan, and determined to pursue a higher level of safety. The new Medium-Term Management Plan is rooted in this commitment.

This plan, founded on these measures to enhance safety, focuses on improving the corporate value of JR-West over the medium to long term, as well as meeting the expectations of all stakeholders, including customers, shareholders, employees, and local communities. Amid rising expectations for the safety, reliability and service to customers, as well as responsiveness to global environmental issues, JR-West is seeking to raise its corporate value by being the transportation provider of choice, and by doing so create a positive spiral that will lead to further enhancement of safety, establishment of a brand of safety and reliability, improvement in service quality, and expansion in growth fields. Further, considering the declining birthrate and aging of society, population decline, advancements in information



and communication technologies, and other changes in the business environment, we intend to foster a management concept from a long-term perspective that includes innovation of our railway systems and other measures, and to implement these as quickly as possible.

Also, from the standpoint of effective use of shareholders' equity we will continue to focus on capital efficiency, and have revised our dividend policy.

Finally, I would like to express my sincere appreciation to all shareholders and investors for your continued support of JR-West.

May 2008

A handwritten signature in black ink that reads "Masao Yamazaki". The signature is written in a cursive, flowing style.

Masao Yamazaki
President, Representative Director and Executive Officer