

# CORPORATE SOCIAL RESPONSIBILITY

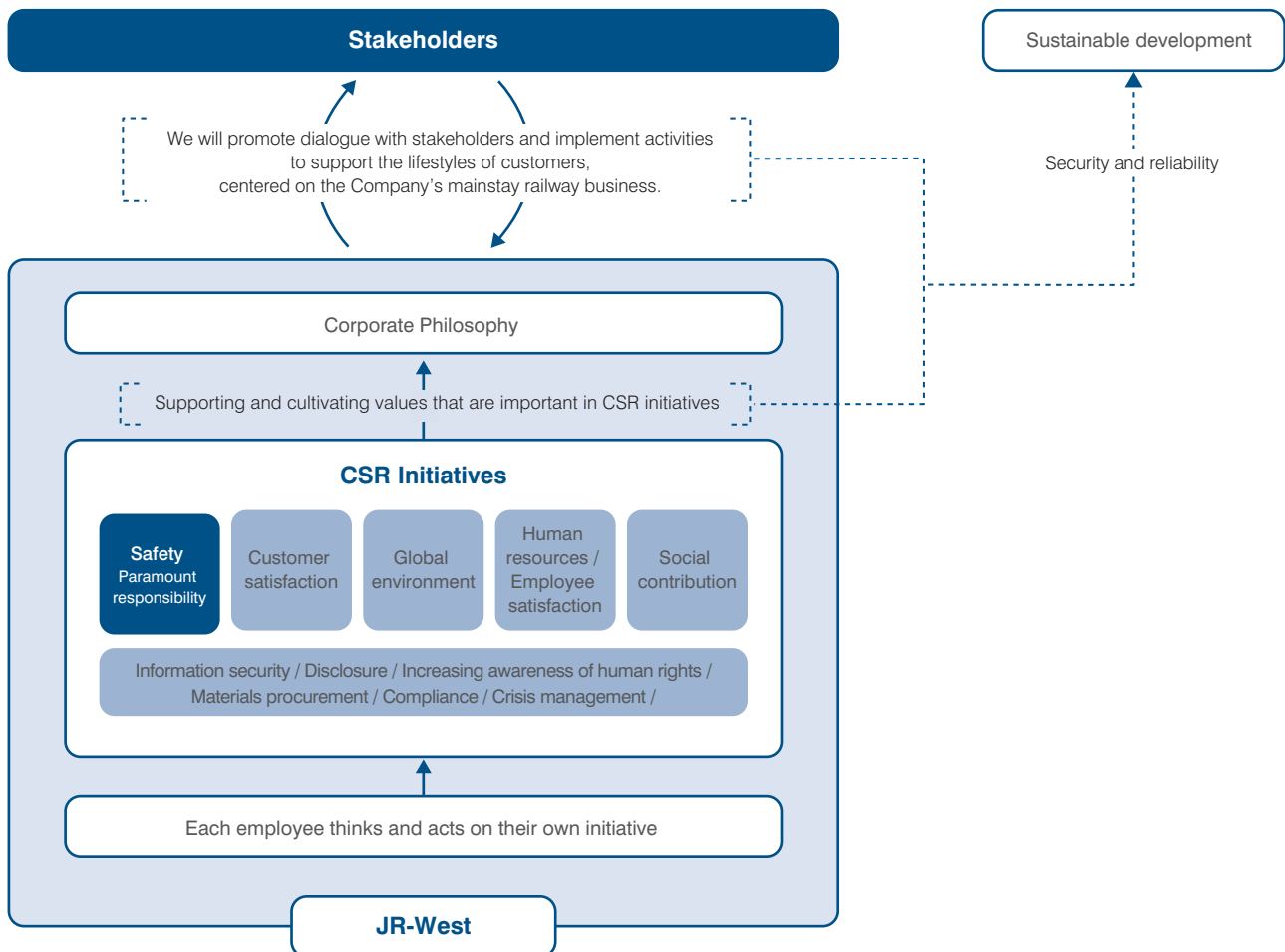
## Our Basic Approach to Corporate Social Responsibility

JR-West's corporate social responsibility is to realize its Corporate Philosophy.

In order to underpin and foster the key values set out in its overriding Corporate Philosophy and in light of society's expectations, JR-West has established priority areas relating to corporate social responsibility. The Company's paramount responsibility is to ensure safety. Other priority areas include customer satisfaction, the global environment, human resources / employee satisfaction, and social contribution. JR-West recognizes these five areas where it can make unique contributions. JR-West also

prioritizes compliance, risk management, information security, disclosure, increasing awareness of human rights, and materials procurement. JR-West recognizes these six areas as the foundations of its operations. JR-West intends to communicate sincerely with society and actively promote dialogue with stakeholders. At the same time, the Company will heighten the quality of its business activities from the standpoint of corporate social responsibility. Through those efforts, JR-West hopes to meet society's expectations and to establish its safety and reliability while achieving sustainable growth.

## CSR Promotion Framework



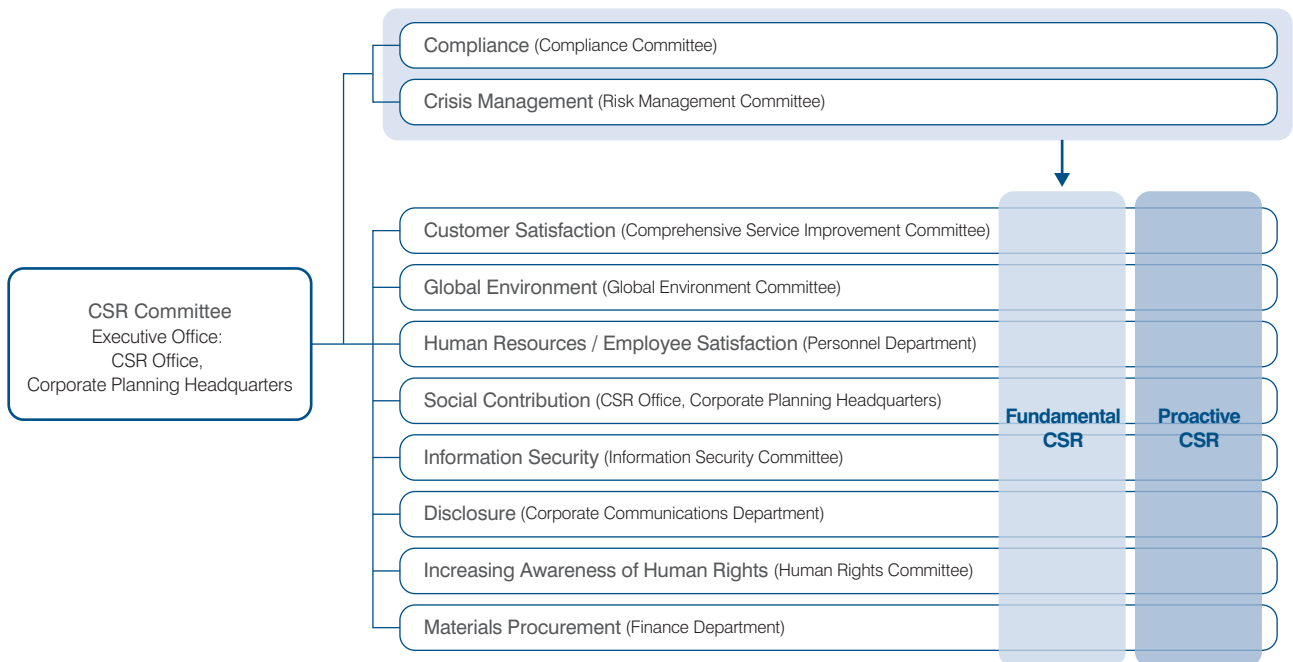
### Promotion System

To proactively promote the CSR management outlined above, the Company established the CSR Promotion Committee in June 2006. The president serves as the committee chairman, and the committee membership comprises full-time directors, full-time corporate auditors, and managers of head office departments. At the same time, the CSR Office, which serves as the committee's executive office, was established in the Corporate Planning Headquarters. Previously, activities were implemented under the guidance of committees and responsible departments

in each field. However, to facilitate further progress in CSR as an important management issue, the CSR Promotion Committee will comprehensively verify and make necessary improvements from the CSR perspective in 10 fields, with the exception of our paramount responsibility of safety. The committee met four times in both fiscal 2007 and fiscal 2008. The Officers in the head office clarified and shared the Company's approach to CSR, fundamental policies, medium-term targets, and fiscal year priority initiatives in each field.

### The Company's CSR Activities

**Safety**  
As a paramount responsibility, measures to further enhance safety are implemented as a part of the safety management system.



\* We implemented activities after classifying them, by field, into fundamental CSR, which are required activities, and proactive CSR, which are activities in which JR-West can make unique contributions.  
\* ( ): The entity with primary responsibility for implementation

### Safety

We deeply regret the Fukuchiyama Line accident. In order to avoid repetition of such an accident within our service area, in May 2005 we prepared the Safety Enhancement Plan, which reflects a basic philosophy of establishing a corporate culture that places top priority on safety. In accordance with that plan, JR-West has advanced initiatives to reform its corporate culture and values and taken safety countermeasures relating to physical infrastructure, procedures, and awareness. Moreover, among employees we have inculcated the Safety Charter established in March 2006. Also, viewing the Aircraft and Railway Accidents Investigation Commission's investigative report submitted to the Ministry of Land, Infrastructure, Transport and Tourism in June 2007 with the utmost gravity, we have taken countermeasures in a sincere and prompt manner in response to the numerous items the report indicated. Currently, JR-West is taking steps in accordance with a five-year Basic Safety Plan, which it prepared based on recommendations from the Advisory Panel for Safety Promotion.

The Basic Safety Plan identifies no accidents that produce casualties among our customers and no serious labor accidents to our employees as the most important task and target in efforts to establish a corporate culture that places top priority on safety. Based on that plan, we intend to raise the level of our safety systems' foundations, which include sensitivity to safety needs based on risk assessment, preemptive safety measures, technological capabilities, and communication.

### Customer Satisfaction

We believe that because we provide railway transportation services that play a very important role in society, valuing interaction with customers and achieving customer satisfaction are very important. Customers will only use JR-West's railway services if they believe they are safe and reliable. Therefore, our fundamental approach to customer satisfaction is to provide a variety of high-quality services underpinned by safe and reliable railway services. High-quality services include such efforts as

providing customer service with a friendly demeanor and ensuring stations and trains are comfortable and customer-friendly.

In efforts to realize further customer satisfaction based on safety and reliability, we are building systems that enable us to share customer feedback in-house and reflect it in management measures. Furthermore, we are cultivating a higher awareness of customer satisfaction among all employees and upgrading frontline services. In addition, JR-West is working to achieve high-quality transportation services by providing reliable transportation and providing customers with detailed information during service disruptions. In other initiatives to afford passengers additional comfort and convenience, we are introducing passenger-friendly, barrier-free facilities, expanding the Express Reservation system, and developing the facilities of railway stations and trains.

### Global Environment

JR-West has taken a range of measures to protect the global environment, including introducing energy-saving trains and building and establishing environmental management systems. However, in response to the recent growing concern with CO<sub>2</sub> reduction and other measures to prevent global warming, we strengthened our systems and stepped up our initiatives for the advancement of environmental measures in July 2008.

Specific initiatives include the building of environmental management systems suited to the operational characteristics of each operating base, environmental audits and education to ensure compliance and prevent environmental pollution accidents, efforts to reduce environmental burden, initiatives to reduce CO<sub>2</sub> emissions by encouraging the use of public transportation and introducing even more energy-saving trains and equipment, and urging each employee to act with the environment in mind. Also, we are working to reduce, reuse, and recycle waste produced by operational activities, such as recyclable waste from railway stations and trains and waste materials from railway operations.

### **Fiscal 2013 Environmental Targets**

**Percentage of energy-saving trains.....75%**

**Basic unit of energy consumption reduction  
.....12% vs. fiscal 1996**

**Recycling rate for recyclable waste from  
railway station and trains.....85%**

**Recycling rate for waste materials from  
railway operations.....90% or higher**

### **Human Resources / Employee Satisfaction**

Heightening the job satisfaction of each employee, encouraging employees to take the initiative, and helping employees realize their capabilities to the fullest lends impetus to efforts to improve safety and services and helps earn the confidence and trust of customers. Mindful of that, we are working to realize two of the goals of our Corporate Philosophy: *enhancing technology and expertise* and *creating a company at which employees find job satisfaction and in which they take pride*.

Specifically, as well as complying with the Labor Standards Act as a matter of course, with a view to passing on professional skills, we have secured a diverse workforce, including contract employees and senior employees. Further, JR-West operates a fair personnel system, which it is continuing to develop. At the same time, we are fostering professional skills among personnel by expanding and upgrading our educational system and establishing specialist positions. In other initiatives, we are encouraging employees to balance work and family commitments and creating employee-friendly workplaces.

### **Collaboration with Regional Communities**

JR-West is a public utility company, and as such regional communities are critical of its existence. Therefore, we must communicate frankly and directly with regional communities and

play an even more active role in them. Accordingly, in addition to operating railway services on a day-to-day basis, we are deepening our partnerships with regional communities by upgrading our safe railway network through improvements to transportation services and the creation of new railway stations and developing tourism to invigorate towns. We are also invigorating regional communities by developing station concourses and areas near railway stations that support residents' everyday lives.

In addition, as a company that coexists with regional communities, we pursue social contribution activities rooted in regions, focusing on five areas with which we have particularly strong ties: safety, the global environment, social welfare, railway culture, and local communities. Since its establishment, JR-West has managed the operations of the Modern Transportation Museum and the Umekoji Steam Locomotive Museum and supported the activities of the Railway Children Association. As well as those activities, we aim to carefully preserve existing initiatives, such as conducting study tours of railway stations and other work fields and clean-up campaigns for local communities, while expanding social contributions, focusing mainly on activities rooted in local communities.

### **Initiatives Related to Management Foundations**

Strengthening management foundations is an indispensable part of realizing corporate social responsibility. Accordingly, JR-West is further developing corporate governance systems that provide oversight and supervision of business management. Furthermore, based on teamwork among all executives with clearly defined roles, we are increasing the transparency, soundness, and compliance of business management and realizing prompt decision making and responsible operational implementation. By establishing systems that stipulate responsibility, JR-West is working to ensure the effectiveness of its initiatives in core areas of internal control such as compliance and crisis management and in areas including information security, disclosure, increasing awareness of human rights, and materials procurement.