

Our Aim is

to Communicate with Society and Promote Dialogue with Stakeholders.

Corporate Philosophy

The JR-West Corporate Philosophy describes the direction in which the JR-West Group should move toward as well as identifies the corporate values it wishes all employees and executive officers to apply in their day-to-day work. It embodies the unwavering devotion of each JR-West employee and executive officer to reflect upon the Fukuchiyama Line accident with sincerity and their unwavering devotion to rebuild JR-West accordingly. It also serves as a message to all its stakeholders, including society at large, that communicates this unwavering devotion.

The title of "Corporate Philosophy" and the use of "We" placed at the beginning of each item of this philosophy represent the combined determination of all of our employees and executive officers. Simultaneously, these words are the driving force behind the actions of each employee, each executive officer, and the company that each of these employees and executive officers come together to form.

Corporate Philosophy

- 1 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.
- 2 We, with a central focus on railway business, will fulfill the expectations of our customers, shareholders, employees and their families by supporting the lifestyles of our customers, and achieving sustainable growth into the future.
- 3 We, valuing interaction with customers, and considering our business from our customers' perspective, will provide comfortable services that satisfy our customers.
- 4 We, together with our group companies, will consistently improve our service quality by enhancing technology and expertise through daily efforts and practices.
- 5 We, deepening mutual understanding and respecting each individual, will strive to create a company at which employees find job satisfaction and in which they take pride.
- 6 We, acting in a sincere and fair manner in compliance with the spirit of legal imperatives, and working to enhance corporate ethics, will seek to be a company trusted by communities and society.

Basic Approach to CSR

JR-West's responsibility as a good corporate citizen is to work toward realizing its Corporate Philosophy. In order to underpin and foster the key values set out in its Corporate Philosophy, and in light of society's expectations, JR-West has established priority areas relating to its CSR activities. The Company's most important responsibility is to ensure the safety of its customers and employees alike. The other four priority areas include customer satisfaction, the global environment, human resources / employee satisfaction, and coexistence with local communities. JR-West recognizes these five areas as areas where it can make unique contributions. JR-West also prioritizes compliance, crisis management, disclosure, information security, human rights, and materials procurement. JR-West recognizes these six areas as the foundations of its operations. Going forward, JR-West intends to communicate sincerely with society and actively promote dialogue with all its stakeholders. At the same time, the Company will heighten the quality of its business activities from the standpoint of its CSR-related activities. Through those efforts, JR-West hopes to meet society's expectations and to enhance its level of safety and reliability while realizing sustainable growth.

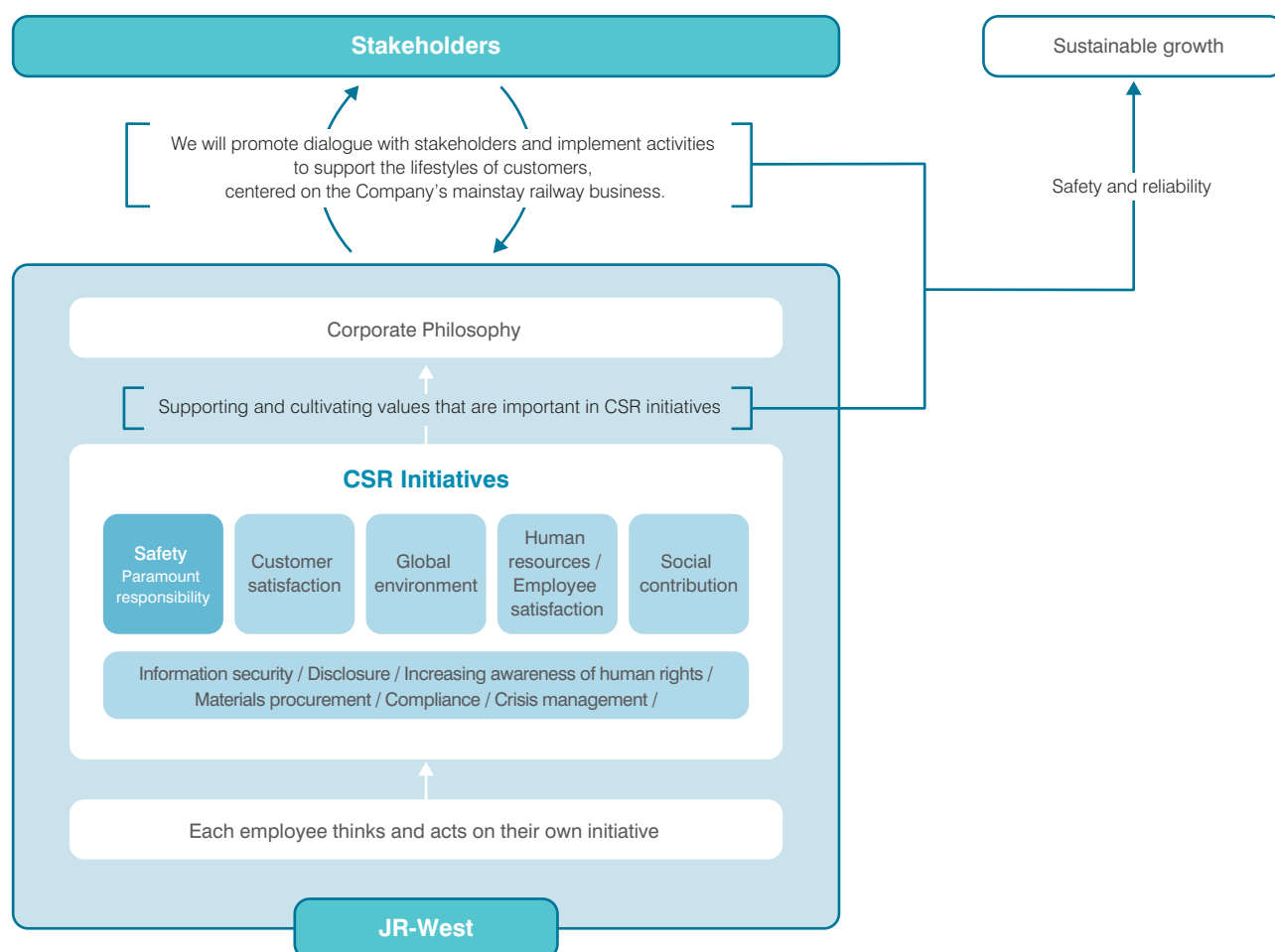
System to Promote CSR

To enhance our ability to promote CSR as one of management's core tasks, we established the CSR Promotion Committee in June 2006. The president serves as chairperson of the committee, while its membership comprises full-time directors, full-time corporate auditors, and general managers of headquarter divisions. We also established the CSR Office—within the

Corporate Planning Headquarters—as the executive office of the CSR Promotion Committee.

With the exception of the paramount responsibility of safety—which is covered by a separate system—the CSR Promotion Committee is mandated to comprehensively examine 10 fields from a CSR perspective and implement improvements where necessary.

CSR PROMOTION FRAMEWORK



Safety Measures

Following the Fukuchiyama Line accident, JR-West formulated its new Corporate Philosophy, which sets out the direction in which the Company must strive toward and the Company's sense of values. The first item of the Corporate Philosophy stipulates, "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."

SAFETY CHARTER

Since JR-West defines safety as the one value that must always be upheld with the highest priority, JR-West has set out its Safety Charter as a specific code of conduct for employees regarding safety.

Safety Charter

We, ever mindful of the railway accident that occurred on April 25, 2005, conscious of our responsibility for protecting the truly precious lives of our customers, and based on the conviction that ensuring safety is our foremost mission, establish this Safety Charter.

- 1 Safety is ensured primarily through understanding and complying with rules and regulations, a strict execution of each individual's duty, and improvements in technology and expertise, and built up through ceaseless efforts.
- 2 The most important actions for ensuring safety are to execute basic motions, to rigorously enforce safety checks, and to implement flawless communication.
- 3 To ensure safety, we must make a concerted effort, irrespective of our organizational affiliation, rank, or assignment.
- 4 When uncertain about a decision, we must choose the most assuredly safe action.
- 5 Should an accident occur, our top priorities are to prevent concomitant accidents, and to aid passengers.

STANCE OF SAFETY MEASURES

Following the reflection over the Fukuchiyama Line accident, we believe that our greatest failure lies in not having been able to detect beforehand the factors that contributed to the serious accident. For this reason, we have subsequently striven to increase our sensitivity to safety, identify dangers and risks before they materialize, and build a system to enable the necessary steps to be taken in implementing proactive safety measures. To achieve this, we believe that it is necessary to establish an effective framework as well as instill safety awareness among employees.

Establishment of a Framework

With regard to the identification of dangers and risks before they materialize and the implementation of measures to address serious risks, we have introduced risk assessments as a specific means of enabling uniform responses on a Company-wide basis.

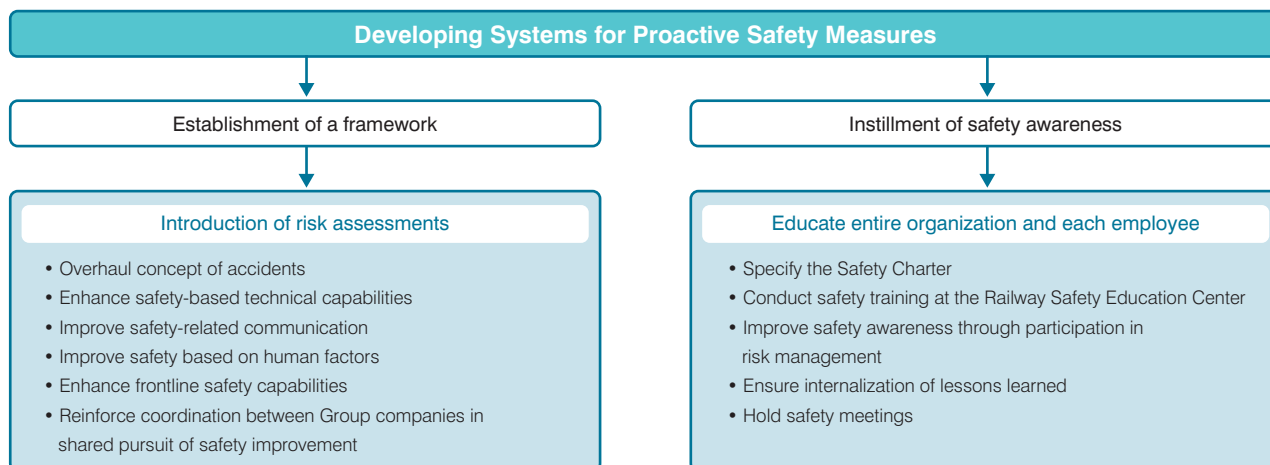
As a system to facilitate the smooth and appropriate implementation of such measures, we have radically overhauled the Company's entire concept of accidents, and are working to enhance our technical capabilities, improve communication, enhance frontline capabilities, and reinforce coordination with Group companies.

Instilling Safety Awareness

Safety awareness is the starting point for safety and is also essential as a means of compensating for any incompleteness within the system. For these reasons, we formulated the Safety Charter as a specific code of conduct regarding safety and have encouraged employees to take concrete action in accordance with the values set in the Charter.

Furthermore, in training programs conducted at our Railway Safety Education Center, which we consider the starting point for our safety education, and at each operational site, we are pursuing measures to ensure that we maintain the lessons learned from the accident.

STANCE OF SAFETY MEASURES



Basic Safety Plan

We have formulated the Basic Safety Plan as our initiatives aimed at building a system of proactive safety measures. We are working together with our Group companies in an all-out effort to reach our attainment targets under the Basic Safety Plan.

Attainment Target

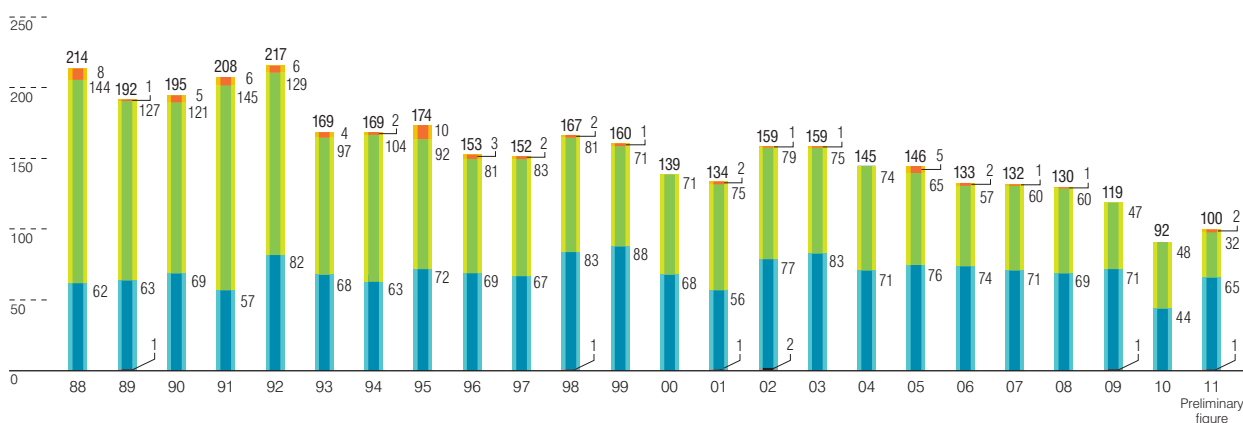
Building a corporate system to ensure no accidents that produce casualties among our customers and no serious labor accidents to our employees.

Specifically, through the measures of the five-year Basic Safety Plan, we aim to implement and establish the following initiatives:

- (1) Identification of risks that could lead to the death or injury of customers or serious labor accidents among employees, sharing results of evaluations on the seriousness of each risk among related individuals
- (2) Implementation of countermeasures for risks that need to be given priority
- (3) Reception of a large amount of safety information from employees, establishment of appropriate systems for monitoring risk

OPERATIONAL RAILWAY ACCIDENTS

Since its establishment, JR-West has implemented a number of safety measures geared toward improving safety through the enhancement of both the "soft" and "hard" elements of its operations. As a result, operational railway accidents have been declining. The number of operational railway accidents during fiscal 2011 was the second lowest in the Company's history. In particular, railway level crossing obstruction accidents were at an all-time low. However, in light of the fact that a certain number of accidents still occur, we will aggressively implement measures for the continued enhancement of safety.



Operational railway accidents: Accidents as stipulated by ministerial ordinance such as train collisions

■ Train accidents: Train collisions, train derailments, and train fires

■ Railway level crossing obstruction accidents: Collisions or contacts between trains or railcars and people or vehicles crossing railway tracks at railway level crossings

■ Railway death or injury accidents: Deaths or injuries to people resulting from the operation of trains or railcars

■ Property damage accidents: Property damage of ¥5 million or more resulting from the operation of trains or railcars

Preserving the Natural Environment

BASIC PRESERVATION POLICY

JR-West works together with other Group companies to contribute to the preservation of the natural environment and the realization of a sustainable society.

INITIATIVES TO PREVENT GLOBAL WARMING

CO₂ Emissions Reduction and Energy Conservation

Railways are a mode of transportation that has a relatively light impact on the environment. However, railway operations themselves require a great deal of electricity and fuel. The Company does not only focus on reducing the energy consumed by its railway operations, which accounts for the majority of the Group's energy consumption, it also endeavors to conserve energy in its stations, offices, and throughout all other areas of its operations. Through comprehensive energy conservation initiatives, the JR-West Group aims to help prevent global warming.

Introducing Energy-saving Rolling Stock

In order to reduce the energy consumed by its railway operations, which accounts for approximately 80% of its total energy consumption, JR-West is introducing new rolling stock equipped with VVVF inverter control systems, regenerative brakes, and other energy-saving features.



Energy-saving rolling stock
(321 Series)

Improving Ground Facilities

JR-West is improving its ground facilities to fully utilize the characteristics of its energy-saving rolling stock. This includes the installation of the DC feeding systems between up and down lines, hybrid electric power supply systems, and other facilities to help the Company better take advantage of the electricity acquired through the regenerative brakes of its energy-saving rolling stock.

Reducing the Energy Used by Stations, Offices, and Other Facilities

While stations and related facilities use relatively low amounts of energy in comparison to the amount consumed by railway operations, the move to make JR-West's stations barrier free tends to increase energy consumption. In addition to continuing its development of technologies to reduce energy consumption, JR-West is also advancing efforts to make its stations into environmentally friendly "eco-stations."

Utilizing Natural Energy

Solar and Wind Power

Using energy in a more efficient manner in its trains, stations, and other facilities is not the only way that JR-West is working to prevent global warming. By introducing solar power generators and miniature wind power generation facilities, it is also actively utilizing natural energy sources that do not lead to the emission of CO₂ gases. In addition, Osaka Station City, which began operation in May 2011, is equipped with solar power generators. A 103kw generator is equipped on the roof of the station platform and a 26kw generator is equipped on the roof of the access way leading to the parking structure. The energy from these generators is primarily used to power lighting and elevators.

RECYCLING INITIATIVES

Realization of a Recycling-based Society

The JR-West Group practices the "3Rs" (reduce, reuse, and recycle) with respect to all waste produced during the construction and maintenance of its facilities as well as the operation of its stations and trains. Specifically, it has established clear goals regarding the recycling of the material waste created through railway operations as well as the garbage collected from stations and trains, and is conducting recycling initiatives accordingly.

Addressing Waste Produced During Facility Maintenance and Construction

The JR-West Group performs regular maintenance and construction of facilities in order to ensure that its railways can operate safely. In fiscal 2011, the total waste produced through these activities and contracted construction amounted to 203,000 tons. To address this waste production, the Group employs construction designs and methods that utilize resources more efficiently and limit waste production. It is also proactive in its efforts to reuse such waste. In fiscal 2011, the Group was able to reuse 95.6% of the waste produced through these means.

Recycling Garbage from Stations and Trains

In fiscal 2011, the total amount of garbage collected from stations and trains was approximately 21,000 tons. In order to promote the recycling of such garbage, the Group placed garbage reciprocals with divisions for different types of garbage in its stations, trains, and other facilities, and worked to recover recyclables such as cans and plastic PET bottles with the cooperation of customers. In fiscal 2011, it was able to recycle 95.8% of the garbage collected in this way.

Placing Garbage Reciprocals

The Group hopes that its customers will help contribute to the separation of garbage for recycling. For this reason, it takes care to ensure that its garbage reciprocals are easy to use through such innovations as improving the shape of the reciprocals' mouths. The Group places large, transparent reciprocals with four divisions on its station platforms. In trains, smaller reciprocals with two divisions are being installed in consideration of the limited space.



Garbage reciprocal on a station platform

COMPLIANCE INITIATIVES

Consideration for Rail-side Environments

Reducing Noise and Vibration Pollution

The JR-West Group is actively working to reduce the noise and vibration pollution created by its railway operations. As one facet of these initiatives, it has installed noise barriers along the side of Shinkansen rail lines and is expanding the usage of N700 series trains, which run relatively quietly. On conventional lines, the Group is introducing maintenance cars that produce less noise when performing maintenance.



Noise barriers installed alongside Shinkansen rail lines



Quiet maintenance cars

Eliminating Soil Pollution

When selling plots of land or constructing facilities, should the level of Designated Hazardous Substances found in the soil exceed the acceptable limits defined by the Soil Contamination Countermeasures Act, the Company takes the necessary measures described in the act to address the issue.

Management of Chemical Substances

The JR-West Group is extremely careful when managing chemical substances. It maintains an accurate understanding of the types and volumes of the chemicals used or stored at its various operational sites, implements thorough storage and management measures, and is constantly striving to limit its usage of such substances.

Managing and Disposing of PCBs

Equipment that has used polychlorinated biphenyls (PCBs) and other items that have been contaminated by PCBs are carefully stored and managed in accordance with relevant laws and regulations. Further, the Group is steadily disposing of such materials according to laws and regulations. As of March 31, 2011, it had disposed of 535 tons of materials contaminated by PCBs.

Taking Steps to Address the PRTR Law

Under the Pollutant Release and Transfer Registers (PRTR) Law, companies are required to submit reports on the volumes of chemical substances they have released or transferred. Applicable substances handled by the JR-West Group include the chemicals used as organic solvents for train maintenance as well as antifreeze for diesel trains. In fiscal 2011, the Company submitted reports on these substances in accordance with the PRTR Law for 6 of its operational sites.