

# ENRICHING

## People's Lives through Our CSR Initiatives

### CSR OVERVIEW

#### 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 corporate social responsibility (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, coexistence with local communities, the global environment, and human resources / employee satisfaction.

JR-West recognizes these five areas as areas where it can make unique contributions. JR-West also prioritizes compliance, crisis management, disclosure, information security, materials procurement, and increasing awareness of human rights. 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.

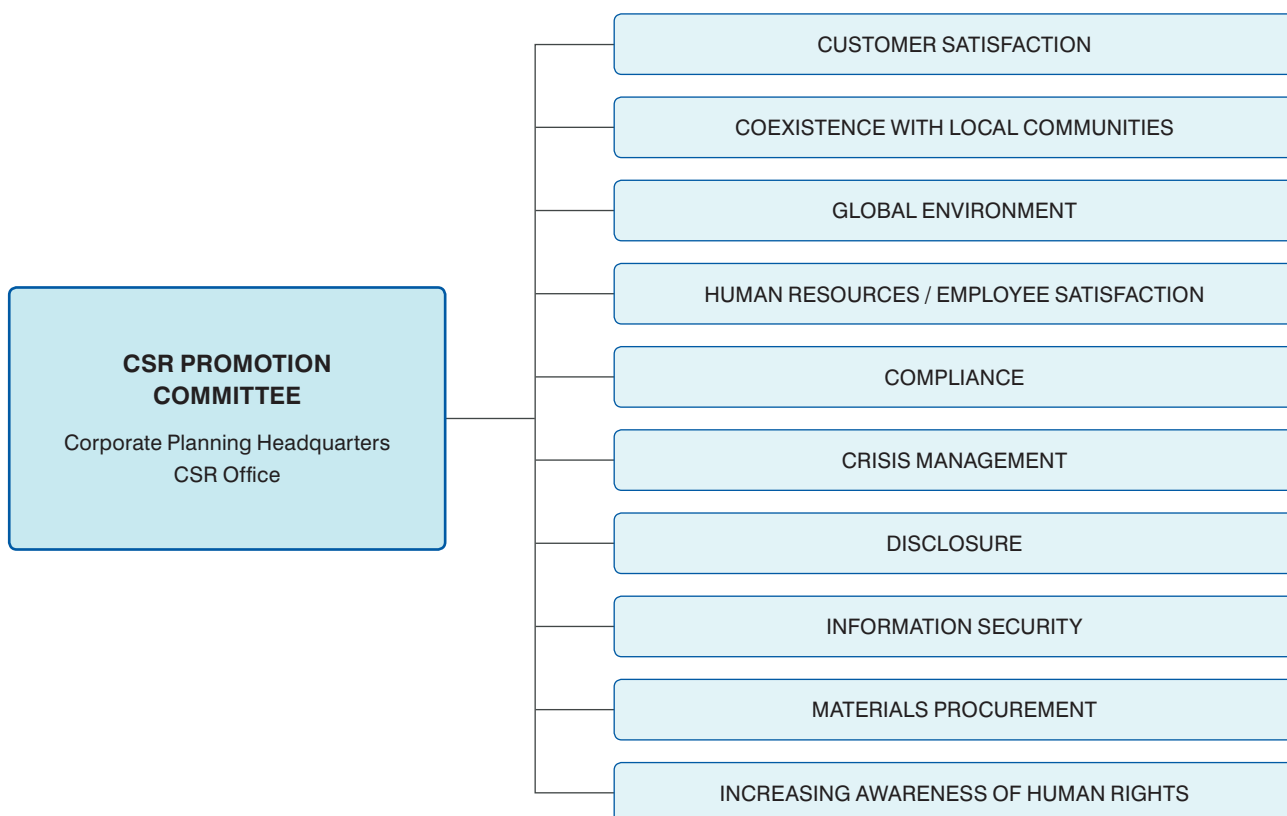
Through those efforts, JR-West hopes to meet society's expectations and to enhance its level of safety and reliability while realizing sustainable growth.

### 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.

**SAFETY** Advanced as an exceptional initiative within the safety management system



## SAFETY MEASURES

Since the Fukuchiyama Line accident, the first item of JR-West's Corporate Philosophy—our most significant policy as a company—has stipulated that, "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

JR-West has established a 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

Because we were unable to detect in advance factors that led to a serious accident on the Fukuchiyama Line, we have sought to heighten our sensitivity to safety and to build a system that enables preemptive safety measures. To this end, we are further instilling safety awareness among employees.

### Establishment of a Framework

With regard to the detection 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 Companywide basis.

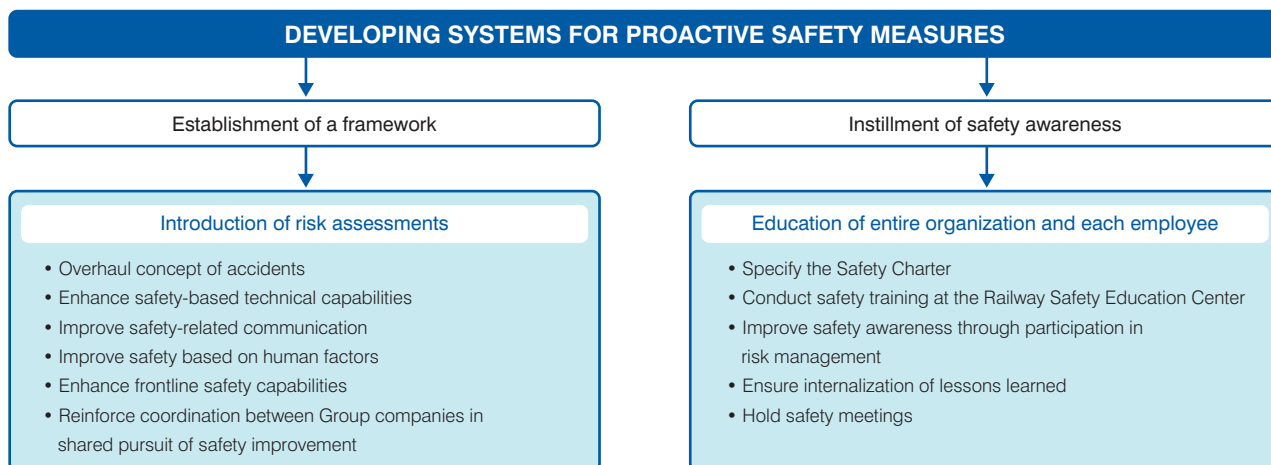
As a system to facilitate the smooth and appropriate implementation of such measures, we have radically overhauled the Company's entire concept of accidents, and are working to enhance our technical capabilities, improve communication, enhance frontline safety capabilities, and reinforce coordination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

Our Basic Safety Plan sets out initiatives aimed at establishing the effective structures and instilling the safety awareness needed to develop a system that enables preemptive 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

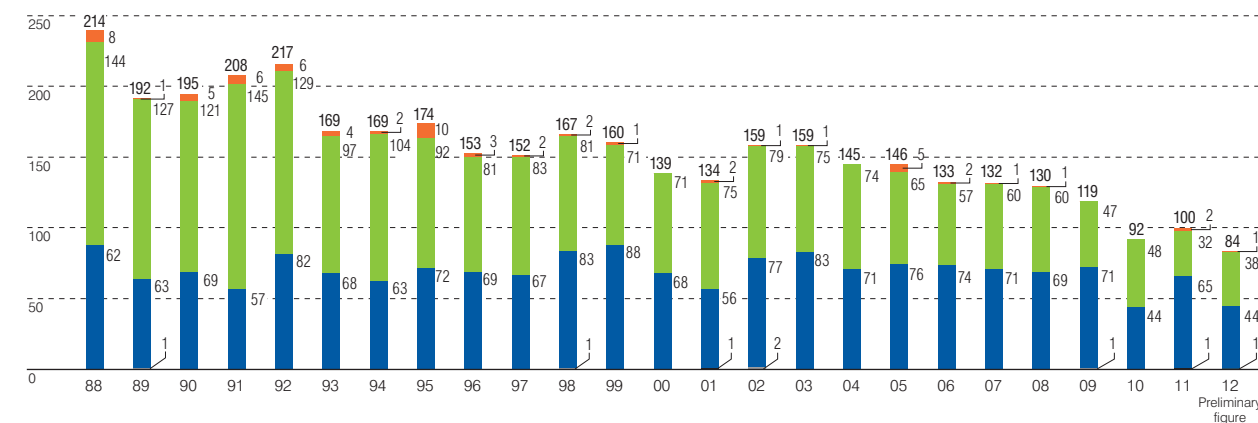
Building a corporate system to ensure no accidents that produce casualties among our customers and no serious labor accidents to our employees.

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

In fiscal 2012, there were 84 operational railway accidents. Since its establishment, JR-West has improved safety through personnel-related and infrastructural countermeasures. As a result, operational railway accidents have reached their lowest level since our establishment. However, given that accidents still occur, we will continue aggressively implementing measures to improve 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

## IMPLEMENTING EARTHQUAKE AND TSUNAMI COUNTERMEASURES

### Heightening Safety in Relation to Earthquakes

Since the Great Hanshin-Awaji (Kobe) Earthquake, JR-West has been steadily taking measures to reinforce the earthquake resistance of structures, enhance derailment prevention, and strengthen its system of seismometers for detecting seismic activity as a measure to prevent trains entering disaster-affected areas. Further, in light of the damage to railway structures that the Great East Japan Earthquake caused, we are continuing measures to reinforce the earthquake resistance of bridge piers and stations currently under construction. At the same time, we are planning countermeasures in preparation for earthquakes anticipated in the Tokai, Tonankai, and Nankai regions.

### Countermeasures for Structures

We have been implementing measures to reinforce the earthquake resistance of structures continuously since the Great Hanshin-Awaji (Kobe) Earthquake. For Shinkansen lines, we have completed engineering work on the pillars of elevated railway tracks (pillars susceptible to shear failures), engineering work to prevent bridges collapsing, and engineering work on tunnels. As for conventional lines, we have completed more than 95% of engineering work on the pillars of elevated railway tracks (pillars susceptible to shear failures) and engineering work to prevent bridges collapsing. Currently, we are strengthening the earthquake resistance of reinforced concrete bridge piers and stations steadily.

Also, in light of the Great East Japan Earthquake and in anticipation of earthquakes in the Tokai, Tonankai, and Nankai regions, we are currently preparing plans for engineering work to reinforce the earthquake resistance of the pillars of elevated railway tracks (pillars susceptible to failure due to bending), banking and steel bridge piers, and station buildings.



Elevated railway tracks with reinforced earthquake resistance



Derailment prevention guards

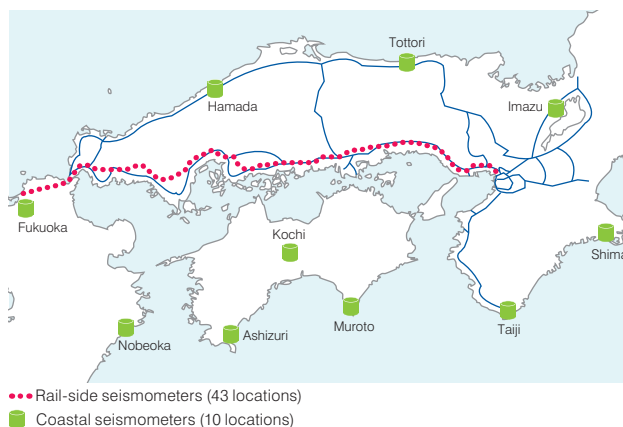
### Measures to Prevent Trains Entering Disaster-Affected Locations

To ensure safety when earthquakes occur, we have installed seismometers, which are part of a system that stops trains rapidly when earthquakes occur.

In particular, we have heightened safety by installing seismometers at 43 rail-side sites in 10 locations along the Sanyo Shinkansen Line. If the seismometers detect seismic movement above a certain level, electricity supply to the Shinkansen is stopped automatically, slowing them.

Further, aiming to enhance the precision of seismometers installed along coastal areas, we are upgrading them by adding detection capabilities for S-waves to existing detection capabilities for P-waves. S-waves originate from the principal motion and transmit through the ground slowly, while P-waves originate from preliminary tremors and transmit through the ground rapidly.

### SEISMOMETER INSTALLATIONS (Sanyo Shinkansen)



### Measures to Mitigate Disasters after Derailment

As a measure to mitigate disasters, JR-West is considering the installation of derailment prevention guards between railway tracks. When a train derails due to an earthquake, railcar wheels hit these guards. This prevents major derailments, thereby mitigating damage. We plan to initially install guards on the Sanyo Shinkansen Line between Shin-Osaka Station and Himeji Station.

### Heightening Safety in Relation to Tsunamis

We are taking a variety of infrastructural and personnel-related countermeasures for tsunamis accompanying earthquakes anticipated in the Tokai, Tonankai, and Nankai regions. Specifically, these measures are for times when tsunamis are expected to damage the Shingu Station–Wakayama Station segment of the Kisei Line, which runs along the coastal area of Wakayama Prefecture.

## Developing Signs and Other Infrastructural Countermeasures

By March 2009, we have installed evacuation guidance signs to clearly indicate rail-side areas for which there is a danger of flooding due to tsunamis. These signs have also made it easier to understand the evacuation sites that municipalities stipulate.

Based on the signs, on-site train crew members will guide passengers to evacuation sites. Furthermore, to enable train crew members to gather information during emergencies, we equipped them with radios in fiscal 2012.



Evacuation guidance signs

In addition, to facilitate evacuation from trains, we have installed ladders with handrails in trains and built steps to enable evacuation from railway lines to highways and other elevated ground.



Ladder with handrail

## Implementing Training and Other Personnel-Related Tsunami Countermeasures

To enable train crew members to ascertain which areas are flooded in the event of a tsunami, we have been preparing tsunami flooding maps since 2007. And since 2008, we have been conducting training in which train crew members use and check actual tsunami evacuation routes and evacuation guidance signs.

In March 2012, with the cooperation of municipalities, we conducted training that involved guiding passengers to safe locations.



Tsunami flooding maps



Train crew members checking evacuation routes

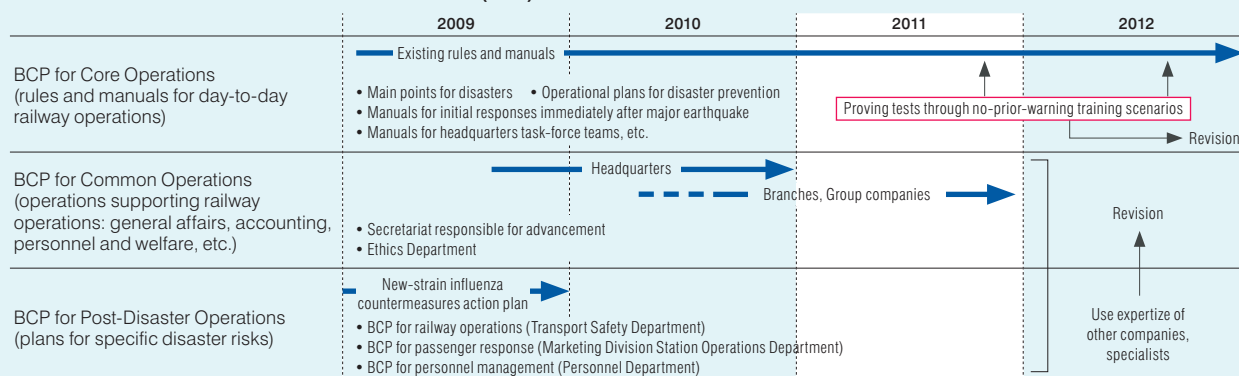


Tsunami training exercise

## Preparation of a Business Continuity Plan

Business continuity plans (BCPs) establish systems to enable the continuation of operations in the event of an emergency, mainly following disasters, after ensuring the safety of customers and personnel as a first priority. Given that railway operations are a "battle with natural disasters," JR-West has accumulated expertise and infrastructure relating to disaster countermeasures and post-disaster restoration that includes its experience acquired during the era of Japanese National Railways (JNR). JR-West largely completed preparation of its BCP in fiscal 2012. We did not approach the preparation of the plan as something entirely new, rather we focused our efforts on improving and recategorizing existing manuals and rules, based on ensuring the safety of customers and personnel as a first priority. Currently, we are drawing on the expertise on other companies and specialists to hone the plan and check its effectiveness.

### PREPARATION OF A BUSINESS CONTINUITY PLAN (BCP)



## ENVIRONMENT

### Basic Approach

Initiatives to protect the environment are an indispensable part of fulfilling our CSR. Accordingly, JR-West has introduced energy-saving railcars, built and entrenched an environmental management system, and advanced other Groupwide environmental measures steadily.

The Great East Japan Earthquake on March 11, 2011, created power supply problems for JR-West. Railways have always been an energy-saving mode of transportation. However, with the cooperation of customers, we stepped up energy-saving efforts. While redoubling energy-saving efforts with a view to building a sustainable society, we will heighten the convenience and appeal of railways to encourage more customers to select railways as a mode of transportation, thereby helping realize an energy-saving society.

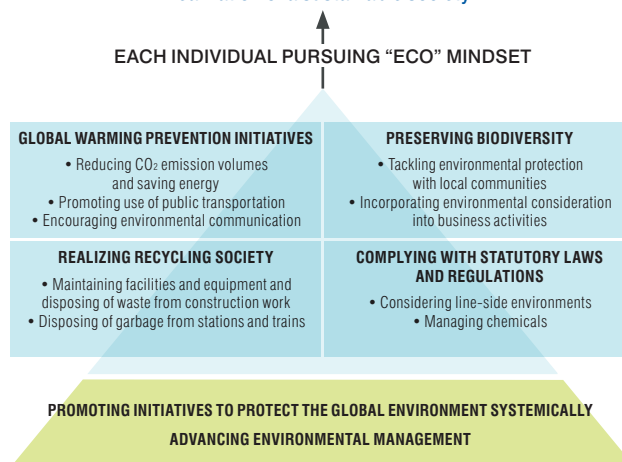
### Initiatives for Global Warming Prevention

#### Preparing and implementing concrete action plans for reducing CO<sub>2</sub> emission volumes

As well as introducing energy-saving railcars, in seven locations we have installed direct current (DC) feeding systems between up and down lines that reduce power transmission loss to trains and increased the energy efficiency of power regenerative brakes. Also, aiming to realize further energy savings, we have begun implementing energy-saving train operations, developing systems for the realization of "eco stations," and conducting basic research.

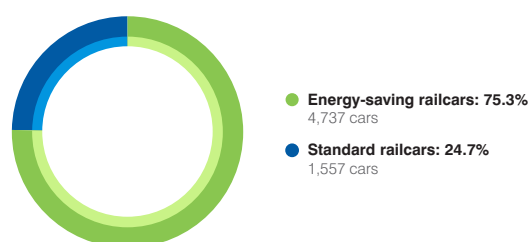
### JR-WEST'S ENVIRONMENTAL PROTECTION INITIATIVES

Working in close collaboration with its Group companies, JR-West will tackle initiatives to protect the environment and contribute to the realization of a sustainable society.



### ENERGY-SAVING RAILCARS

as percentage of total railcars



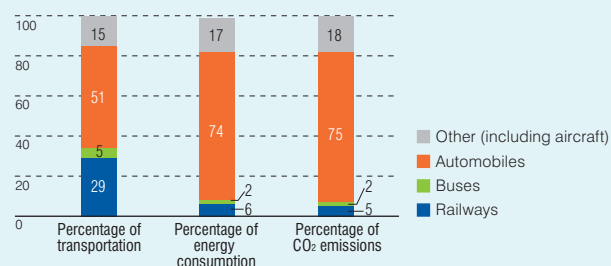
### Railways—A Mode of Transportation with Low Environmental Burden

Although transporting large numbers of passengers, railways have comparatively low energy consumption and CO<sub>2</sub> emissions. In Japan, railways account for roughly one third of passenger transportation but only 6% of energy consumption and 5% of CO<sub>2</sub> emissions.

Railways emit less CO<sub>2</sub> and are more environment-friendly than other modes of transportation. Per unit of transportation volume, railways generate CO<sub>2</sub> emissions that are approximately one ninth of those from private automobiles.

#### TRANSPORTATION, ENERGY CONSUMPTION, AND CO<sub>2</sub> EMISSIONS BY MODE OF TRANSPORTATION

(Fiscal 2010: Japan)

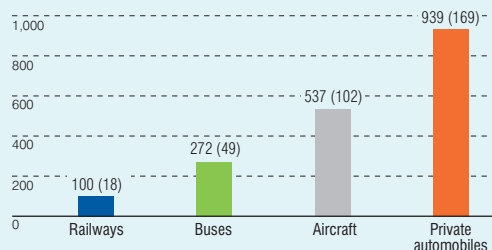


Sources: Calculated based on *Summary of Transportation Statistics*, Transport Research and Statistics Office, Ministry of Land, Infrastructure, Transport and Tourism and *The GHGs Emissions Data of Japan*, Greenhouse Gas Inventory Office of Japan

Note: Certain totals are not 100% due to rounding.

#### CO<sub>2</sub> EMISSIONS PER UNIT OF TRANSPORTATION VOLUME FOR PASSENGERS IN FISCAL 2011

Index: Railways=100



Note: Prepared based on information from the website of the Ministry of Land, Infrastructure, Transport and Tourism. Numbers in parentheses are actual CO<sub>2</sub> emission volumes (g-CO<sub>2</sub> / passenger-kilometers).



### Aiming to Save Energy and Reduce CO<sub>2</sub> Emissions

Although railways place less burden on the environment than other modes of transportation, they still use significant amounts of power and fuel. In response, to prevent global warming JR-West is not only reducing the energy consumption of train operations, which account

for the majority of energy consumption, but is also curbing energy consumption in an array of other areas, such as offices and stations.

Furthermore, we are realizing an even more energy-efficient railway system by developing new technologies and creating eco stations.



### 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.

#### Disposal of 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 2012, the total waste produced through these activities and contracted construction amounted to 231 thousand 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 2012, the Group was able to recycle 95.4% of the waste produced through these means.

### Compliance Initiatives

#### Management of Chemical Substances

As well as monitoring the types and volumes of chemical substances it stores and uses at respective operating bases, JR-West manages storage strictly and is taking measures to reduce usage volumes.

#### 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, 2012, it had disposed of 615 tons of materials contaminated by PCBs.



Transfer of PCB waste

#### Taking Steps to Address the PRTR Law

Certain chemical products that JR-West handles, such as organic solvents used for train maintenance, are subject to the Pollutant Release and Transfer Register (PRTR) Law, which requires companies to report the volumes of chemical substances they release or transfer. In fiscal 2012, the Company reported these substances pursuant to the PRTR Law for six of its operational sites.



## COEXISTENCE WITH LOCAL COMMUNITIES

### Basic Approach

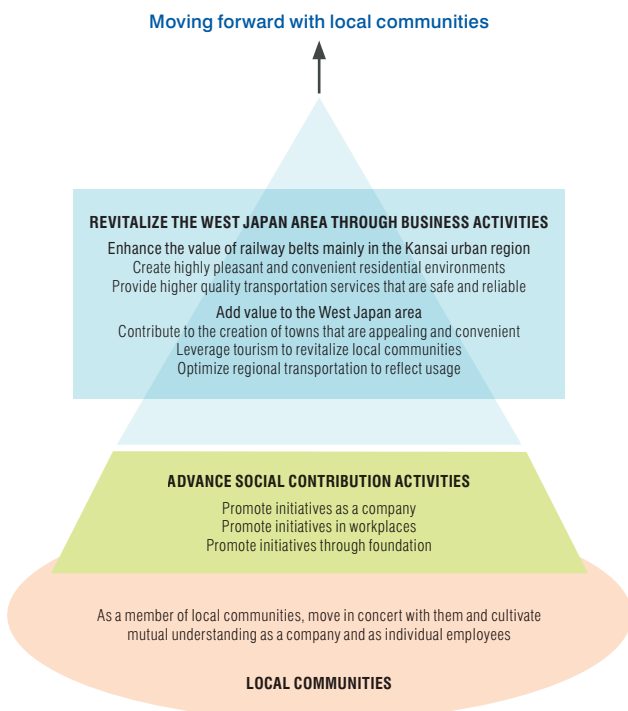
As a company operating businesses centered on railways, JR-West cannot exist without local communities. Accordingly, as a company moving forward with these communities, we want to develop sustainably with them through our business activities. Based on this commitment, we revised our medium-term management plan in 2012, setting out coexistence with local communities as a new strategy.

Reflecting the viewpoints of local communities, the JR-West Group will strengthen collaboration with other modes of transportation and municipalities to revitalize the West Japan area through its business activities.

With this as our overriding goal, we intend to advance social contribution activities rooted in local communities, concentrating on five areas: safety, the global environment, social welfare, railway culture, and local communities.

Aiming to earn the trust of society and local communities through the accumulated effect of these activities, we are committed to moving forward with local communities.

### COEXISTENCE WITH LOCAL COMMUNITIES—OVERVIEW



### Revitalizing the West Japan Area through Business Activities

Reflecting the viewpoints of local communities, the JR-West Group will strengthen collaboration with other modes of transportation and municipalities to build cooperative relationships that benefit all parties. We will establish five cross-divisional teams tasked with creating highly pleasant and convenient residential environments, providing higher quality transportation services that are safe and reliable, contributing to the creation of towns that are appealing and convenient, leveraging tourism to revitalize local communities, and optimizing regional transportation to reflect usage. Through the Groupwide initiatives of these teams, we will help enrich the lives of the residents of local communities.

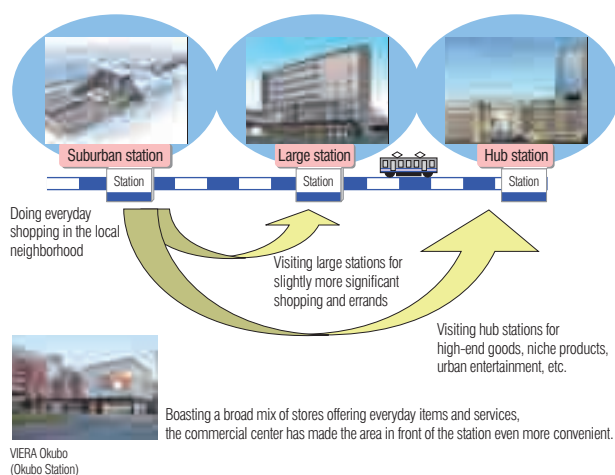
### Enhancing the Value of Railway Belts Mainly in the Kansai Urban Region

#### Creating Highly Pleasant and Convenient Residential Environments

JR-West is creating railway belts that are convenient and desirable places to live and which have stations and station neighborhoods offering a full range of facilities and services.

Specifically, we are upgrading station facilities by renewing restrooms and platform benches. Furthermore, to improve access to stations, we are improving bus access, expanding the *Ekirinkun* rental bicycle service, and planning to establish parking areas.

Also, based on the characteristics of each area, we aim to create railway belts that are amenable and appealing to parents raising children. In fiscal 2012, we increased child daycare facilities by inviting accredited daycare centers to become tenants of our station buildings.

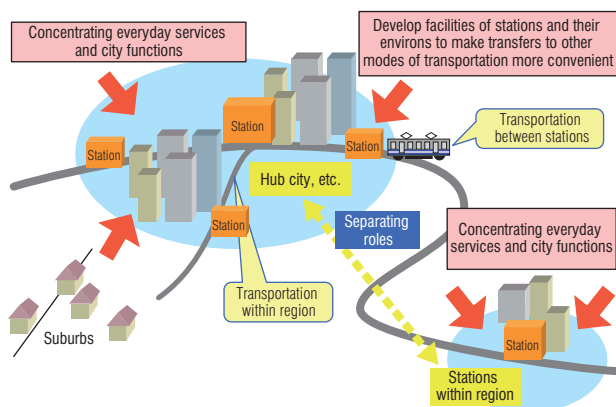


## Adding Value to the West Japan Area

### Contributing to the Creation of Towns that Are Appealing and Convenient

By making transferring at stations to other modes of transportation easier, we aim to increase the convenience of public transportation for local communities. In cooperation with municipalities and local residents, JR-West aims to enhance the facilities and services of stations and their environs as the “entrances” of towns. Through these initiatives, we hope to play a leading role in town development that originates from stations. One example of such efforts is the November 2010 memorandum for mutual cooperation toward improving the convenience of public transportation in Okayama Prefecture that we concluded with the Ryobi Group.

Also, we intend to facilitate the efficient operation of cities by contributing to the construction of “compact cities” through the concentration of everyday services and city functions at stations.

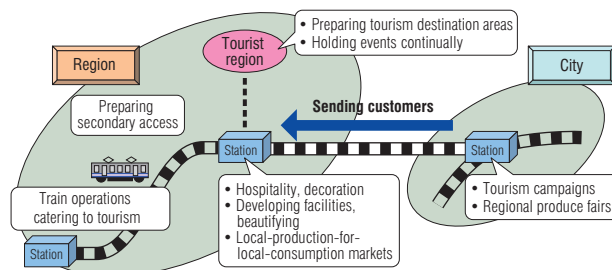


### Leveraging Tourism to Revitalize Local Communities

Our collaborations with local communities are not limited to transportation, but they encompass a broad range of areas. We work with local communities to develop tourism by attracting customers to regions and welcoming them with abundant hospitality.

In particular, looking ahead to the “Sanyo Destination Campaign” scheduled for fall 2012, we are communicating intensively with municipalities and tourism service providers to maximize the benefits of this initiative.

As campaigns aimed at readying destination areas and disseminating information for the “Sanyo Destination Campaign,” we jointly organized the “Tottori Campaign” in spring 2011 and the “Sanyo Nakaumi Campaign” in fall 2011 with local communities.



### Contributing through the JR-West Relief Foundation

A public-interest association established in the wake of the Fukuchiyama Line accident by a donation from JR-West, the JR-West Relief Foundation contributes to the realization of a society that affords safety and peace of mind.

Aiming to provide opportunities to reflect on aspects of life and foster a mutually supportive society, the foundation organizes Heart Seminars as well as Safety Seminars, which use railway operations as starting points to consider safety. Also, the foundation jointly hosts Emergency First Aid Fairs, which are educational events that focus on the importance of initial response and first aid and provide the public with firsthand experience using automated external defibrillators (AEDs) and cardiopulmonary resuscitation.

Also, the foundation contributes to mental and physical care and the building of safe local communities by providing support and donations to such initiatives as the “Learning about Grief” public lectures that Sophia University’s Grief Care Research Institute holds and Kyoto University’s “Lectures on Safety Engineering for Public Infrastructure.” And, we are also assisting in the Great East Japan Earthquake restoration effort by appealing to the public for support of the restoration effort.



An Emergency First Aid Fair



Public donations presentation ceremony