

Non-financial Highlights

Intellectual Capital

Commercialization of New Safety System

The launch of the new safety system outlined in the Medium-Term Management Plan is now scheduled for spring 2015 when a new railcar featuring the system will be placed into service in Hiroshima. The new safety system will provide a variety of operational support functions in addition to its conventional ATS features, with each railcar carrying a database of information. We are currently in the process of applying for a patent for certain parts of the system's functions. In addition to the new safety system, new railcars will come equipped with a device that detects objects that are caught in doors after they close, and we are in the process of applying for a patent for this device as well. New railcars also have other new systems, such as the system that automatically applies the emergency breaks whenever any abnormalities are detected, such as derailment, and notifies other trains running in the vicinity.

Additionally, in June 2014 we newly established the Railway System Planning Department to create and execute a concept for our technical strategy on future railway operations, and this department is now promoting medium- to long-term cross-functional problem solving based on our technical strategy.

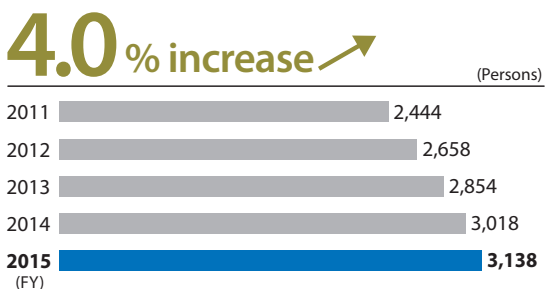


Human Capital

Increase in the Number of Female Employees

Female employees are working in all aspects of our operations, including as train crew members, and as of 2014 female employees accounted for about 10% of our workforce. JR-West will continue with our efforts to make our workplace one where female employees can take more active roles by enabling more employees to achieve a work-life balance.

Number of female employees (As of April, JR-West only)

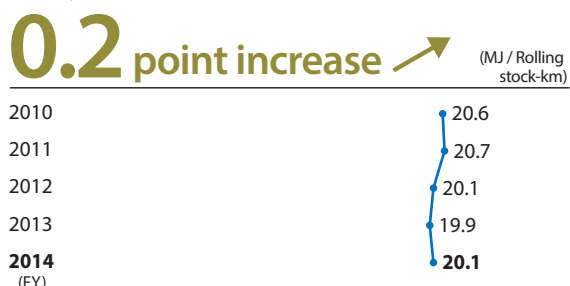


Natural Capital

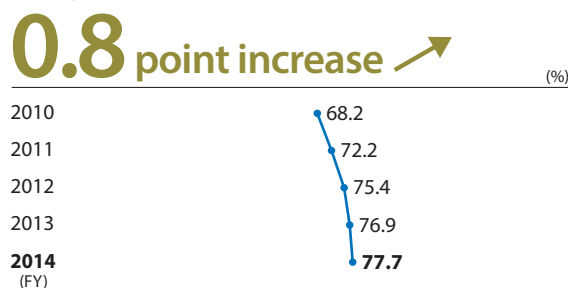
Promoting Resource Conservation and Energy Saving

JR-West is constantly striving to reduce the amount of energy it uses in its transportation operations. In particular, we are working to reduce the amount of energy used to operate our trains by introducing energy-saving railcars, carrying out energy saving operations, and developing new technologies. Furthermore, we carefully sort the large amounts of garbage from stations and trains, which is then recycled as toilet paper and other products.

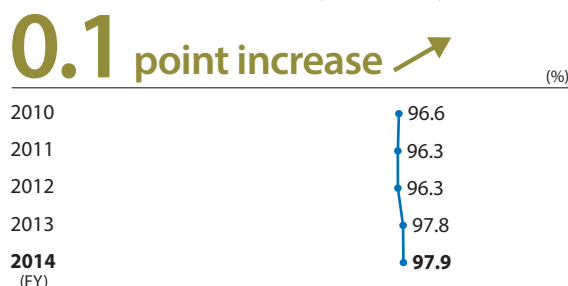
Energy consumption rate*



Energy-saving railcars as a percentage of total railcars



Station and train garbage (recyclable) recycling rate



* The energy consumption rate is the amount of energy consumed per rolling stock-kilometer (MJ / Rolling stock-km)



Social and Relationship Capital

Major Destination Campaign for Hiroshima

JR-West held the Hiroshima Destination Campaign* for a three-month period between July 1 and September 30, 2013 in which we helped develop local tourism resources and drive visitor traffic.

As a result, we saw a 5.7% increase year on year in ridership on the Shinkansen (between Okayama and Hiroshima) and on conventional lines in the Hiroshima City Network Area. Additionally there was a 36.5% increase year on year in customers who purchased discount tickets, one-day travel products, or personalized travel products bound for Hiroshima.

* Destination Campaign: A major tourism promotion campaign where the six JR Group companies work together with local governments and local tourism businesses to drive traffic from across Japan to a specific area.

Number of tourists visiting Hiroshima

36.5% increase 



Osaka Loop Line Renovation Project

The JR-West Group launched the Osaka Loop Line Renovation Project. Efforts focus on improving customer satisfaction through enhancement of railway functions, and on generating new value for the line through the development and renovation of retail facilities at stations and under elevated tracks.

As part of this project, VIERRA TAMATSUKURI opened on March 18, 2014. It includes convenient retail facilities and childcare center, which play key roles in enhancing the daily lives of people living around the station.



Rehabilitation-focused Day Services for Seniors

In order to develop new businesses as part of the Medium-Term Management Plan, JR-West is making inroads into the nursing care services business as part of our development of new business areas. In September 2012, we acquired a stake in POSSIBLE Medical Science, Ltd. and later increased this stake in January 2014. Through this involvement, we are working on rehabilitation-focused day services for seniors. We plan on further promoting the spread of rehabilitation-focused day services because of the effectiveness they have in supporting the independence of seniors. We will also aim to expand our business presence in the fields of community contributions and nursing care.



Promoting Childcare Assistance

In Shiga Prefecture, with which JR-West has signed a comprehensive collaboration agreement, we have been examining possibilities for establishing children's daycare facilities adjacent to stations. We approached a local daycare operator about the idea and it opened a daycare center at Otsu Station on the Biwako Line, in April 2014. In addition, we operate "JR Kids Room" daycare facilities adjacent to stations to make our railway belts more convenient and appealing to people with children.



Collaboration Agreements with Local Governments

One of the goals under the "Our Future Direction – The Ideal Form for JR-West" theme from the Medium-Term Management Plan is to be a "railway company that coexists with communities."

To achieve this goal, we continually engage the local community to share a vision for the future and methods for solving problems. We also work together to implement solutions because revitalizing local communities is the most important part of our actions. To further solidify these relationships, there have been several cases where we have concluded agreements with local governments or companies on comprehensive cooperation and collaboration.

We have concluded such agreements with Shiga Prefecture, Nara Prefecture, Tottori Prefecture, Shimane Prefecture, Matsue City as well as private sector companies, such as The San-in Godo Bank, Ltd. and The Chugoku Bank, Ltd., and Shimane University, and continue to collaborate closely with these partners.

For example, together with The Chugoku Bank, Ltd., which we have a business collaboration agreement with for local economic promotion in August 2013, we held product exhibitions called "Umaimono Ichi" for food companies in order to jump-start the local economy by marketing hidden local products. These exhibitions took place at JR Okayama Station and Fukuyama Station.



"Umaimono Ichi" at JR Fukuyama Station