

The President's Message

Putting safety first, the JR-West Group will continue evolving into the future.

I am Tatsuo Kijima and was appointed president of the JR-West Group in June 2016. I aim to create a corporate culture of putting safety first and leading the Group to sustainable growth.



Putting Safety First

Four years before I was appointed president, I was general manager of the department responsible for responding to the victims of the Fukuchiyama Line train accident. In that role, I came into direct contact with the people who were affected by the accident and learned about their feelings surrounding the tragedy. Their sorrows and suffering continue to this day. On behalf of the Company, I extend my heartfelt apologies. Going forward, we will continue to interact earnestly with the people whose lives were affected by the Fukuchiyama Line train accident, reflect upon the accident, and take its lessons to heart. In the process, we will do our utmost to respond to the needs of the people who have been affected by this tragic event.

The origin of our safety awareness is a keenly felt understanding that our customers entrust their precious lives to us, and it is our bounden duty to transport them safely to their destinations. The railway business is possible only through the careful application of established rules and an ongoing dedication to ensuring safety and peace of mind as a matter of course. As we go about our daily activities, we recognize it as essential that not a single person forget this duty.

I visit as many workplaces as possible in a variety of locations and make it a point to learn about a host of safety issues and measures and employees' thoughts related to safety. I then consider what can be done to bolster safety even further and feel duty-bound to raise the bar still further, as I believe that working hard toward safety conveys our dependability. Thinking about what roadblocks are in the way to safety improvements and how to surmount them is an ongoing challenge, but one that I believe is essential to face as we work to enhance overall safety.

As the number of employees who joined the Company after the accident increases, we continue in our efforts to ensure that its memory does not fade. In addition, we have set up sites that emulate accidents to help our employees understand the magnitude of accidents and communicate the importance of life.

Our emphasis on safety is not limited to the railway business. Rather, it is a key requirement of all the businesses we engage in. Creating a corporate culture of putting safety first is an earnest endeavor for the Group as a whole and essential to maintaining the trust of our customers and other stakeholders.

Status of Initiatives under Our Medium-Term Management Plan*¹ and the Safety Think-and-Act Plan*²

During fiscal 2016, we were successful in initiatives aimed at achieving the targets of the medium-term management plan and the Safety Think-and-Act Plan.

Regarding safety, our topmost strategic focus, we met our objectives for reducing the number of accidents and transportation disruptions. Even so, from individual events it is clear that issues remain. Based on the results of a third-party evaluation of our safety management system, we will press ahead with measures necessary to augment safety further.

We marked the 40th anniversary of all lines of the Sanyo Shinkansen commencing operations with extensive passenger use of the lines, for business and tourism alike. We continued with activities to maximize the impact of the Hokuriku Shinkansen's start of operations, thereby invigorating the overall Hokuriku region. The new LUCUA Osaka also enjoyed a broad-based increase in customer activity. As a result, we made steady progress on the strategies of the medium-term management plan, which we updated in April 2015.

As we are quickly approaching the final year for the medium-term management plan and the Safety Think-and-Act Plan, we will redouble our efforts to bring the plans to a successful conclusion. We will steadfastly work to ensure that safety and customer satisfaction are shared throughout the JR-West Group as we strive to meet the targets of our plans.

*1 The "medium-term management plan" refers to the "JR-West Group Medium-Term Management Plan 2017."

*2 The "Safety Think-and-Act Plan" denotes our "Safety Think-and-Act Plan 2017."

Roles the JR-West Group is Expected to Fulfill

We continue to place topmost management priority on and put every effort toward our "three pillars of management"—"measures to convey our best intentions to those affected by the train accident," "measures to enhance safety," and the "furthering of reform." In addition, we have established "Our Future Direction: The Ideal Form for JR-West" to fulfill our mission of sustained railway operations as social infrastructure and contribute to the invigoration of local communities as a "company coexisting with communities" by increasing our level of interaction and collaboration to expand operations in the Group's area of business. We believe that by fulfilling this mission, the JR-West Group will create value for society and fulfill the roles society expects of it. To achieve these objectives, we will fulfill our responsibilities as a member of society in such areas as global environmental protection, compliance, disclosure, and crisis management, and act in good faith.

The Thoughts and Actions of Individual Employees—Our Driving Force

With environmental change occurring at an accelerating pace, we recognize the need to act with alacrity and seize

opportunities for growth. To be successful, while preserving our core operations employees must think and act autonomously. Their thoughts and actions on the front lines of our business, their daily work, operations, and management are central to our focus on customers and workplaces, and will enable us to steadily meet the goals of the medium-term management plan and transform the corporate culture. I would like each of our employees to maintain thoughts and actions toward goals they align with, while at the same time working in combination as an organization to achieve success and motivation. I will focus on building the environment to facilitate this transformation.

As the number of childbirths fall, society ages, and Japan's demographic structure changes, a growing number of employees will face the need to rear children and provide nursing care. To accommodate these concerns, we will need to revise working structures, enabling employees to be successful in the limited amount of time they have available. We will also need to transform our values, respecting diverse working styles. Enhancing the work-life balance should lead to higher motivation for individual employees and as a result, better success for the organization.

Continuity and Evolution as We Look to the Future

April 2017 marks the 30th year since our start of operations as JR-West. As we look to the next 30 years, we must maintain steady continuity in our initiatives. At the same time, I believe dramatic evolution will be extremely important for us. In addition to enhancing our core railway business, we will roll out a variety of initiatives across the Group, including in non-railway operations. Particular points of focus will be ensuring harmony with local communities, harnessing demand from inbound travel and active seniors, technological innovation that leverages IT, and new business developments, including overseas activities. We will engage quickly in these areas, which offer the potential for growth.

Above all, I see ensuring harmony with local communities as an overriding theme for the Group as we look toward the future. The JR-West Group cannot expand without the vigor of western Japan. We will forge even more intricate links with the communities we serve, applying the strength of the JR-West Group in a variety of ways to invigorate lifestyles and industries. We will put forth every effort into ensuring the vitality of the community and the sustainable growth of the JR-West Group.

Pulling together as "Team JR-West" while putting safety first, the JR-West Group's more-than 47,000 executives and employees will strive to enhance customer value and corporate value. We will contribute to the realization of a sustainable society as we evolve with an eye to the future.

August 2016

Tatsuo Kijima

President, Representative Director, and Executive Officer