

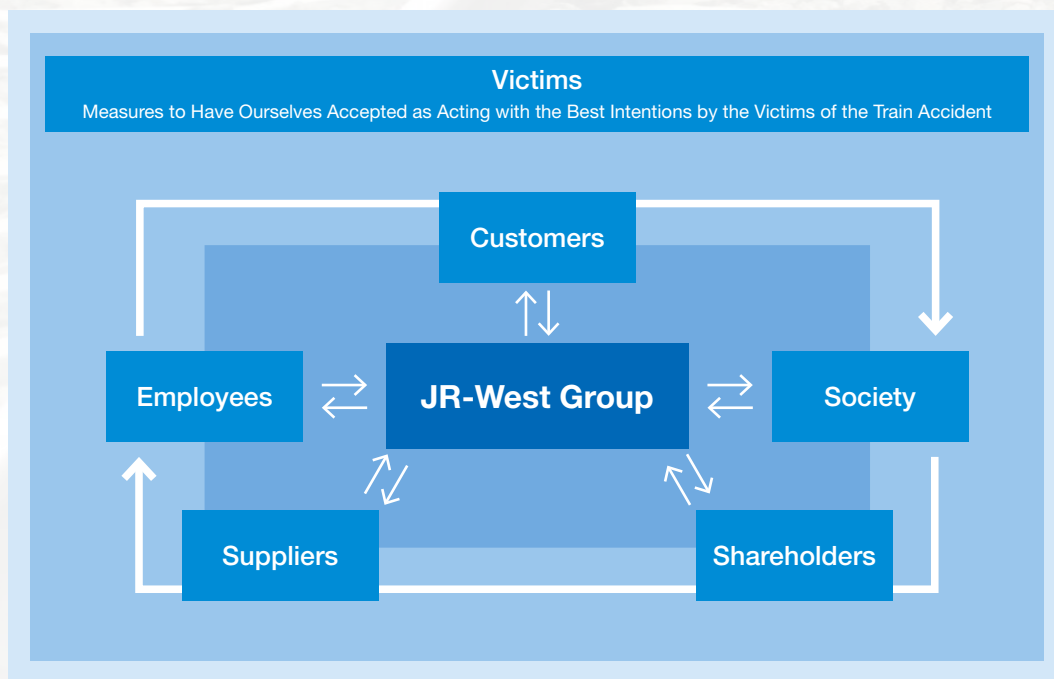
CSR Overview

Pursuing Think-and-Act Initiatives to Realize Our Corporate Philosophy

The JR-West Corporate Philosophy and Safety Charter form the foundation of our management. Created in the wake of the Fukuchiyama Line accident, we consider our Corporate Philosophy to be a contract with society that we decided after extensive discussion among all executive officers and employees, based on our determination to be a company that places top priority on safety and to never again allow a serious accident to happen. Therefore, we consider putting our Corporate Philosophy into practice to be the CSR of JR-West. Our Corporate Philosophy and

Safety Charter foster in all of our executive officers and employees a common attitude that they bring to work of steadily increasing safety and customer satisfaction; responding to the expectations of customers, society, shareholders, suppliers, and other stakeholders; and achieving sustainable development into the future. Toward that end, JR-West is committed to continuously thinking and acting as a unified entity.

➔ Please see our Corporate Philosophy and Safety Charter on [page 1](#)



Relationship between Stakeholders and the JR-West Group

Having employees who are motivated, take pride in their work, and provide high-quality service results in satisfaction and a sense of safety and peace of mind for customers, and contributes to the invigoration of the West Japan area. With the profits earned under such conditions, we will assure the sustainability of operations, and build good relationships with shareholders and suppliers.

Corporate Philosophy

Providing greater value to society

High-Priority CSR Fields

Safety

Customer satisfaction

Coexistence with communities

Human resources / Motivation

Global environment

Compliance

Disclosure

Crisis management

Thinking and acting based on the field

Pursuing CSR by Thinking and Acting Based on the Field

In order to uphold our Corporate Philosophy and provide greater value to society through our business activities, we have specified eight high-priority CSR fields in reflection of society's demands.

To maintain reliable railways that passengers can use safely and with peace of mind, we believe it is important for all JR-West Group employees at all of our workplaces to maintain a constant awareness of customers, to share the common understanding of the various issues that arise at front-line work sites, and to autonomously and collaboratively work to solve them with a sense of urgency. The JR-West Group pursues CSR by having every one of our employees embrace this "thinking and acting based on the field" as the guiding principle of conduct.

External recognition



In June 2016, FTSE Group confirmed that JR-West had been independently assessed according to the FTSE4Good criteria, and had satisfied the requirements to become a constituent of the FTSE4Good Index Series. JR-West has been consecutively included in the index series since 2002.

Created by the global index company FTSE Group, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognized corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria, and are positioned to capitalize on the benefits of responsible business practice.

Safety

Value provided to society

- Safely transport passengers to their destinations
- Prevent all major occupational injuries and fatalities

Basic Approach

Safety is of the highest priority at JR-West. To establish a corporate culture that places top priority on safety, we are moving forward with various tangible and intangible initiatives.

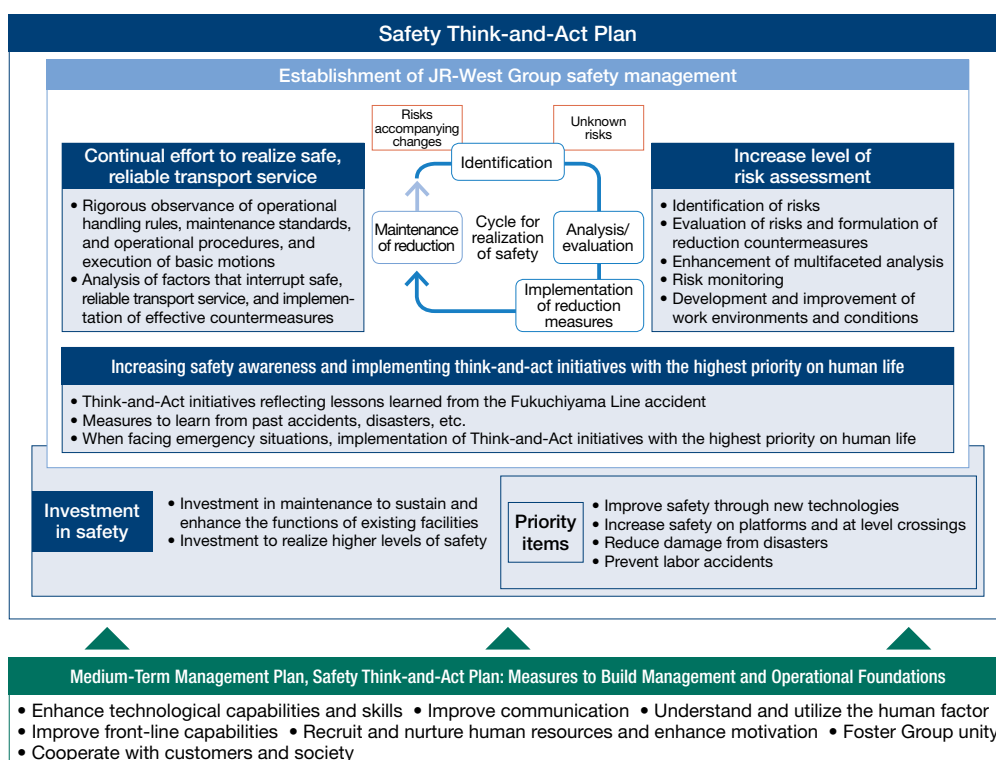
Safety is also the core strategy of the JR-West Group Medium-Term Management Plan 2017, formulated in March 2013, and we aim to attain higher levels of safety by steadily implementing our new Safety Think-and-Act Plan 2017. Having caused the Fukuchiyama Line accident, JR-West recognizes, as a critical safety measure, the need to enhance the risk assessments we introduced in light of our inability to prevent this accident. To this end, in fiscal 2017 we will take further steps to foster

a culture of reporting information, aiming to encourage all to take part in safety management. In addition, we will move forward with various initiatives aimed at ensuring employees of the JR-West Group to never forget the Fukuchiyama Line accident and to implement think-and-act measures putting human life and safety above all else. To raise our performance in this area, we will continue to invest aggressively in safety, putting highly safe structures in place when we conduct renovations. Furthermore, in fiscal 2016 we received an evaluation of our safety management systems from a third-party organization. Utilizing this evaluation, we will continually enhance safety management systems.

Safety Think-and-Act Plan

JR-West established Safety Think-and-Act Plan 2017 in March 2013 as a concrete plan for the fundamental strategy of “safety” in the JR-West Group Medium-Term Management Plan 2017. The pillars of this plan comprise continual efforts to realize a safe, reliable transport

service; increase the level of risk assessment; increase safety awareness and implement think-and-act initiatives with the highest priority on human life; and invest in safety measures. Our goals in these areas are expressed by a five point numerical scale.



Final Targets

Targets for the five-year period up to fiscal 2018

Railway accidents that result in casualties among our customers

Zero

Labor accidents that result in fatalities among our employees

Zero

Targets for fiscal 2018*

* Compared with fiscal 2013

Railway accidents with casualties on platforms

30% reduction

Accidents at level crossings

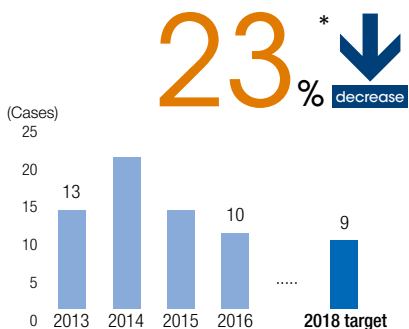
40% reduction

Transport disruptions due to internal factors

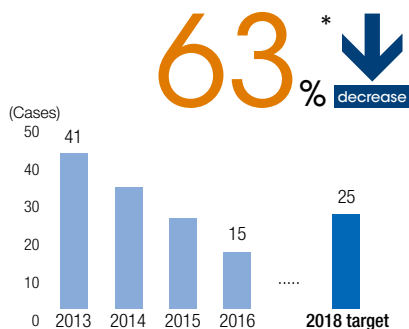
50% reduction

Reducing Railway Accidents with Casualties on Platforms, Accidents at Level Crossings, and Transportation Disruptions Due to Internal Factors

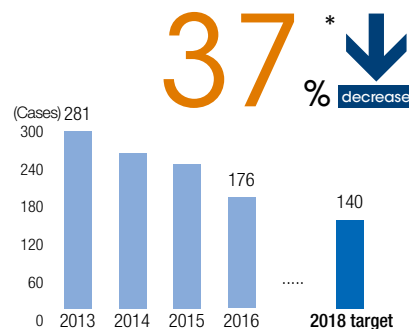
Railway Accidents with Casualties on Platforms



Accidents at Level Crossings



Transportation Disruptions Due to Internal Factors



* In comparison with fiscal 2013

Increasing Safety Awareness and Implementing Think-and-Act Initiatives with the Highest Priority on Human Life

We are carrying out think-and-act initiatives that focus on remembering the Fukuchiyama Line accident in an effort to heighten employees' awareness toward safety. Through these efforts, we are working hard to ensure that all employees never forget the tragedy of accidents and the importance of life while carrying out accident prevention initiatives as part of their daily work. As part of safety-related training we began conducting in March 2016, we set up a "high-speed experience zone" closely emulating working conditions on actual tracks as a high-speed train passes by. In addition to JR-West employees, we invited employees from Group companies and business partners to take part in the experience, thereby heightening their safety awareness.

To realize the Safety Charter, we are working closely with the police, the fire department, and community members to conduct training exercises based on various scenarios, including regular comprehensive railway accident training and tsunami evacuation guidance training.



Setting up the "high-speed experience zone"



Comprehensive railway accident drill held with the police and fire department

Measures to Prepare for Earthquakes and Tsunamis

To prevent bridges from falling as a result of an earthquake, we have carried out seismic retrofitting. In addition to these improvements, we have been installing derailment prevention guards on the Sanyo Shinkansen Line between Shin-Osaka and Himeji stations to prevent railcars from moving significantly off their rails. This construction was completed in December 2015. We have also raised priority on the Himeji-Hakata section, and this construction is scheduled for completion by fiscal 2023.

To ensure that customers can evacuate our facilities safely in the event of a tsunami, we have included tsunami evacuation instructions for the Kuroshio express train as an example in our tsunami evacuation leaflet.



Derailment prevention guard



Tsunami evacuation leaflet

Customer Satisfaction

Value provided to society

- Services that assure our customers of safety and reliability, including a railway with high transport quality
- Comfortable and convenient services that perceive customer expectations and respond to diverse needs

Basic Approach

As the operator of a business with strong public service characteristics, the JR-West Group deepens communication with customers supported by the CS Vision and CS Think-and-Act Declaration, based on the confidence placed in us by our customers and society. Through this and by continuing the practice of customer-oriented management, we enhance the value we provide with the hope that we are developing customers into “fans of JR-West.”

Specifically, it is critical that we grasp our customers’ needs and expectations, and steadily reflect this information in safety and services based on social trends. Increasing transport quality is an issue of particularly great importance. By implementing meticulous, stable transport

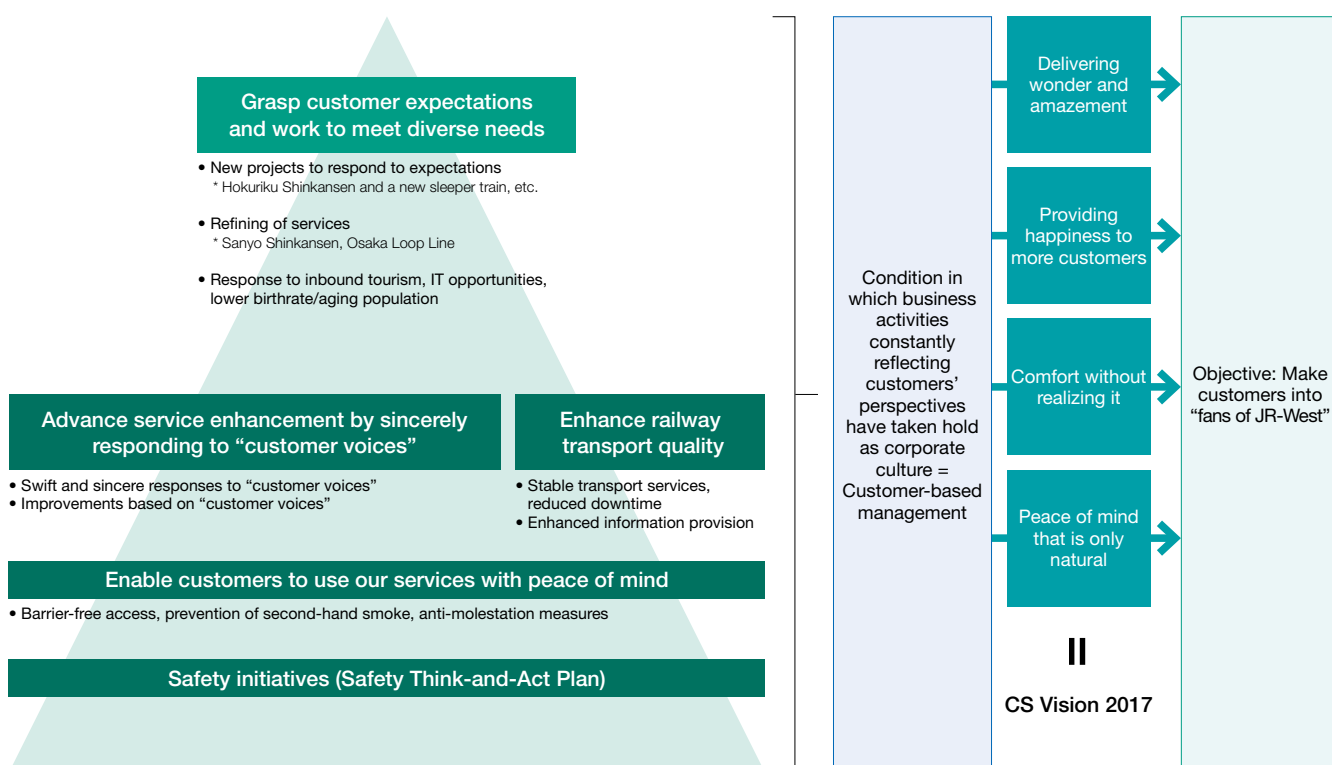
measures, enhancing our ability to provide information from the customer’s perspective, and creating appropriate station and in-train environments, we will continue working so that our customers can use our services with peace of mind and reliability. Furthermore, in addition to responding to customer voices swiftly and with sincerity and promoting the enhancement and improvement of services, we will broadly communicate our initiatives to obtain society’s understanding of JR-West.

So that even more customers become “fans of JR-West,” the JR-West Group will embed such initiatives in the corporate culture and aim to achieve customer-oriented management.

Target for fiscal 2018

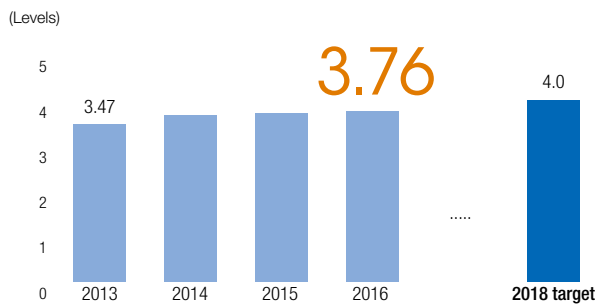
Make customers into “fans of JR-West” ➔ Achieve customer satisfaction survey result of 4.0 or above

Aims of the JR-West Group’s CS Initiatives (Medium-Term Management Plan)

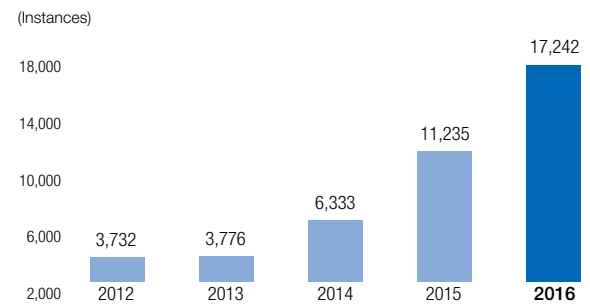


Increasing Levels of Customer Satisfaction and More Thanks and Appreciation in Customer Feedback

Customer Satisfaction (Five Levels, Internal Survey)



Thanks and Appreciation in Customer Feedback



Using Surveys and Customer Feedback to Understand Social Changes and Reflecting This Information in Specific Measures

• Providing Appropriate Customer Facilities

In response to customer needs and to make railways more comfortable to use, we are making station facilities barrier-free and moving forward with the beautification and refurbishment of restrooms. We are working to put up notifications that make it easy for visitors from abroad as well as Japanese who may not be familiar with the train to distinguish individual train routes. To this end, we have begun writing out the names of routes in Roman characters and using route numbers and line colors on our notices. Following efforts in the Kansai urban area and the Hiroshima area, in the spring of 2016 we introduced line colors and route numbers in the Okayama/Fukuyama and Yonago Branch areas.



Conversion to a convenient and easy-to-use restroom

• Augmenting Notices for Travelers from Abroad

To promote the spread of IT and respond to a growing number of customers from overseas, we are expanding our free Wi-Fi service and providing information on train operations in multiple languages. Since fiscal 2016, we have also employed foreign staff at Kyoto Station, Osaka Station, and other stations frequented by tourists to enhance peace of mind for travelers from abroad.



Line colors introduced in the Hiroshima area

Working to Provide Easy-to-Understand Information Quickly During Transportation Disruptions

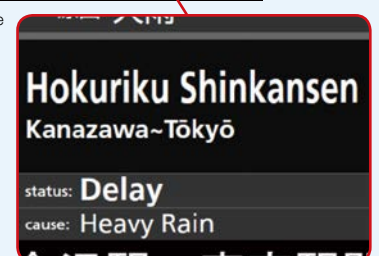
When transportation disruptions occur, passengers require a variety of information, such as the status of route restoration, when operations are expected to commence, and how long the train will take to reach its destination. We are responding to this situation by making certain that information hubs rapidly ascertain the situation from on-site employees and pass that information on swiftly to station personnel and crew members to ensure the information reaches passengers in a timely manner.

We provide information to passengers who arrive at stations using station displays capable of foreign language signage. To provide this same information to passengers who are not at stations, we proactively disseminate information on our website, as well as through a “push notification app for information on train operations.”*

* Push notification app for information on train operations: This app notifies customers of any delays along routes they have registered by conveying information on train operations to their handsets.



Foreign language notices also available on station displays



Coexistence with Communities

Value provided to society

- Development along railway lines that creates attractive communities to live and visit
- Tourism promotion with local partners that leverages the strengths of railways
- Working with local partners to invigorate communities through business development tailored to each area

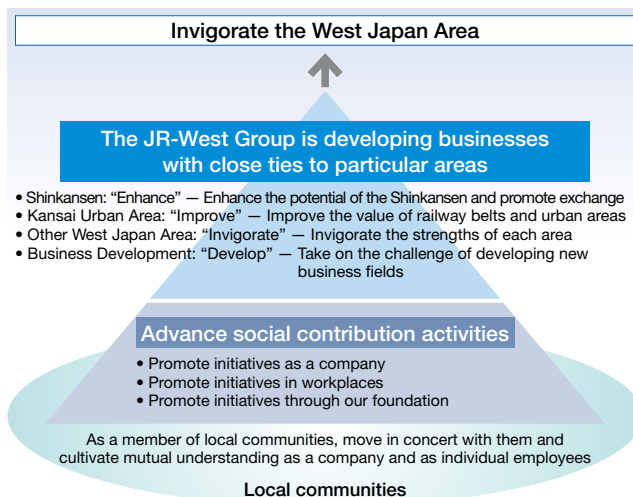
Basic Approach

As a railway operator, we must remain close to the communities we serve. Movements throughout Japan aimed at regional revitalization are expanding, with positive outcomes from specific initiatives emerging. Given this situation, the JR-West Group remains steadfast in its commitment to build win-win relationships with local partners and work together with them toward the goal of invigoration. For the JR-West Group, such efforts represent the key to its sustainable growth. That is why we emphasize being a “railway company that coexists with communities” under “Our Future Direction: The Ideal Form for JR-West” in the medium-term management plan, which we are currently implementing. True to the theme of this plan, “Taking the Next Step. Working together with communities,” the Group shares its targets and decision points.

Specifically, we believe it important to maintain dialogue with local residents and establish human networks between residents and the Group in each area to achieve a common understanding of local issues and demands, and cooperate in exploring an ideal form for communities.

We furthermore aim to realize area management for long-term, sustainable growth by strengthening cooperation with local governments and businesses, regarding development of stations and surroundings, tourism promotion, local transportation, and business development grounded in the area.

Coexistence with Communities—Overview



Taking the Opening of the Kyoto Railway Museum as an Opportunity to Make New “Connections” in the Kyoto Umekoji Area

In April 2016, JR-West opened the Kyoto Railway Museum in Umekoji Park, in Kyoto’s Shimogyo Ward. The basic concept of the museum is to serve as a hub of railway culture together with the local community, and through the museum JR-West aims to invigorate the Kyoto Umekoji area, as well as promoting railway culture. We are taking the opening as an opportunity to further develop the “Project to Connect Everyone in Kyoto-Umekoji” that we have engaged in with members of the local community to increase traffic and activity in the area.



Kyoto Railway Museum team greeting visitors



Introduction to a steam locomotive

Other Initiatives

Kansai Urban Area

- Improve the value of our railway belts and urban areas
- Open Higashi-Himeji Station on the JR Kobe Line between Gochaku and Himeji stations

Other West Japan Area

- Develop businesses that leverage the attractions of each area
- Operation of the Kumihama Liner, which requires no change from JR lines to the Kyoto Tango Railway



Higashi-Himeji Station (Kansai Urban Area)



The Kumihama Liner (Other West Japan Area)

Human Resources / Motivation

Value provided to society

Greater customer peace of mind and reliability through human resources development and improved employee motivation

Human resources development..... Initiatives aimed at individual employee growth—individual vitality

Job satisfaction Creating workplaces that are rewarding and vibrant—organizational vitality

Human resources acquisition Securing the necessary human resources for business operations

Basic Approach

The Company faces a rapid generational shift as many experienced employees reach retirement age. To ensure safety and achieve sustainable growth against this backdrop, we will cultivate an environment in which employees can learn independently. At the same time, superiors and seniors have the important mission of cultivating and sharing values with subordinates and juniors. Based on this understanding, we will concentrate on reinforcing management capabilities at the managerial level and passing on technologies by reinforcing practical skills at the working level.

Japan's workforce is decreasing due to falling birth-rates and an aging population. To secure the necessary human resources in the future, we will need to cultivate an environment in which diverse employees can play a proactive role. In addition to implementing an action plan to encourage the active participation of women, we will push forward with working style reforms aimed at making our operations more efficient. At the same time, we will undertake aggressive health measurement initiatives to confirm that physically and mentally healthy

employees contribute to sound business operations. In these ways, we will seek to enhance employees' work-life balance and boost their motivation.

Human resources underpin the JR-West Group's business activities. As in the past, we will prioritize employees' thinking and acting autonomously and from a worksite perspective. The experience employees gain in thinking and acting from a worksite perspective will help to resolve issues faced in the workplace as well as in society at large. This experience should also help individual employees to excel in their roles by maximizing their skills. To ensure that these efforts serve as driving forces for safety and customer satisfaction, we will strive to strengthen human resource cultivation and boost motivation as we work to enhance corporate value and sustainable growth.

PDCA Cycle for Training Based on Understanding the Individual

As we approach the retirement of a large number of experienced employees, the way in which to smoothly pass on to the next generation the techniques and skills that underpin safety and CS is becoming an urgent matter. Accordingly, we are facilitating the transfer of techniques and skills from experienced employees to younger ones. In particular, we assess each individual based on practical ability standards for the work-related skills and abilities necessary for every position and level, while visualizing the current situation of every employee, and on-the-job training and group training are tailored to the needs of the individual employee. This is part of the process for promoting a PDCA cycle for HR training.



Experienced employees conducting on-the-job training for younger members



Training for the management/leadership level

Action Plan to Promote the Active Participation of Women

Period: Three years, from April 1, 2016 to March 31, 2019

Objectives:

1. During the term of action plan, we aim to achieve a female recruiting ratio of at least 25%. Within this figure, we intend to increase the ratio of women in professional employment (transportation) to 40% or higher.
2. By the end of fiscal 2019, we are targeting at least a 1.5-fold increase (compared with the end of fiscal 2016) in the number of female employees in management and leadership positions.
3. We will create an environment that enables diverse human resources to grow in their careers.



Leaflet for women aiming to work at JR-West

Global Environment

Value provided to society

- Energy-efficient and resource-saving railway
- Avoiding environmental risks
- Coexistence with communities and nature

Basic Approach

We contribute to the realization of a society capable of sustainable development and strive to understand the interaction between the environment and corporate activities conducted throughout the JR-West Group, based on an awareness of the critical social responsibility of companies in terms of preserving the global environment.

To this end, we engage in initiatives based on the following four pillars:

First, with regard to energy conservation, we make an effort to develop technologies and introduce energy-saving trains and equipment through various environmental investments while striving to reduce Company-wide energy consumption through environmentally friendly initiatives employing creativity to inculcate an awareness of global environmental conservation among all employees. Next, we engage in resource conservation through the appropriate and effective use of resources, including the reduction and reuse of waste generated during railway construction. Also, in terms of environmental management system promotion, we engage in thorough environmental management including risk avoidance based on

the observance of environmental laws and regulations.* Finally, we strive to enhance activities that benefit biodiversity related to coexistence with communities and nature, including Club J-WEST forest conservation efforts and other activities.

* Observance of environmental laws and regulations: JR-West uses the term "compliance" based on guidelines by the ISO-certified Japan Accreditation Board with respect to global environmental areas.



Initiatives to Reduce Trash at Stations and in Trains, as well as Waste from Facility Construction, and Promote Reuse

JR-West promotes the 3Rs* with respect to the inspection, repair, and dismantling of train cars and items generated from facility and electrical construction. As a result, in fiscal 2016 the recycle rate was 97% for facility/equipment construction and 93% for train cars.

For example, materials are reused in the smoothing of scratched rails for Sanyo Shinkansen rail work, aimed at improving safety and comfort. Also, the majority of trash in stations and inside trains is separated and recycled with the cooperation of customers. Furthermore, the introduction and expansion of ICOCA has significantly reduced the issuance of traditional magnetic tickets and pass cards, while the use of LED lighting inside stations and train cars and the use of highly durable, long-life materials are linked to the reduction of waste.



Using ICOCA to reduce environmental impact and promote a recycling-oriented society

* 3Rs: Reduce, reuse, and recycle

Other Initiatives

Energy-Saving Initiatives for Preventing Global Warming

- Introducing "Type-323" energy-saving railcars on the Osaka Loop Line
- Adjusting automatic flashing sensors for station platform lighting to reduce periods of unnecessary flashing

Promoting an Environmental Management System (EMS)* (Avoiding Environmental Risk)

- Commencing initiatives to reduce environmental impact by creating an EMS and setting targets
- JR-West provides training for environmental management officers and environmental management leaders, utilizing systematic environmental management education to enhance biodiversity conservation.

* Environmental Management System (EMS): An EMS refers to the systems and procedures that companies establish at factories and business sites, including environment-related policies and targets, as part of their efforts to protect the global environment.