

# The president's message



## The Group's unchanging mission in the face of social change

The JR-West Group's operations, including the railway business, are facing an unprecedentedly severe business environment due to the novel coronavirus pandemic and its prolonged impact.

Despite these circumstances, the mission of the JR-West Group, as a social infrastructure business group, remains unchanged: to ensure the safety of our core railway business, and to continue to support the convenient and comfortable lives of our local customers and the development of society and the economy.

Taking as the starting point our unchanging determination to ensure that we will never again allow an accident such as that on the Fukuchiyama Line to occur, and the lessons we have

learned after reflecting on the accident, our foremost mission remains to ensure safety, and making this our top priority is indeed at the heart of our business and the source of our value. As the officers and employees who knew the situation at the time of the accident are now retiring, we have recently defined the "Essential perspectives in achieving safety" with the strong conviction that we must inherit the heavy reflection and lessons learned from the accident and realize safe railways in the future. By passing on these perspectives as a compass for the realization of safe railways, we will build "a railway that assures our customers of its safety and reliability," as stated in our Corporate Philosophy.

## Achieving "reform and reconstruction" by adapting to change and providing greater value to society

The novel coronavirus pandemic has, in an instant, brought about a series of structural changes in the world that would otherwise likely have taken place over the next 10 years, and this has posed a variety of challenges for our Group. Our revision of the late-night timetable in March this year in order to secure workers for railway maintenance also reflects such structural changes.

In order to overcome this difficult situation, in October last year we revised the JR-West Group Medium-Term Management Plan 2022. Our main objectives are to enhance railway safety, enhance coexistence with local communities and create new value, strengthen management, and reform the Company to enhance its ability to address change. What we are aiming for is to provide even greater value to society through "reform and reconstruction," rather than returning to our previous state, by taking the pandemic and changes in social behavior as an opportunity for transformation, and by adapting to change.

Against the backdrop of a reduction in the use of trains compared with previous levels, we will reform in particular the cost structure of our railway business so as to continue to ensure safety and secure the peace of mind and trust of our customers, while continuing to deliver value to their satisfaction. We will

also hone our ability to adapt to change, while also striving to innovate, including implementing digital-driven business reforms. In this way, we will create value as we work hard to ensure that our business operations and service provision meet the needs of society.

Although conditions are uncertain due to the pandemic, in September this year we raised capital through the issuance of new shares. This is because we believe it is necessary to improve our financial position in order to promptly implement our growth strategies, including city development and the creation of tourism demand through coexistence with local communities, as well as to enhance our ability to respond to the changing business environment. Through this capital financing and our revision of the JR-West Group Medium-Term Management Plan 2022, we aim to enhance our corporate and shareholder value through post-pandemic growth.



## Our Group's role in realizing a sustainable society

Along with the revision of the JR-West Group Medium-Term Management Plan 2022, we have set out the role of the JR-West Group in achieving the Sustainable Development Goals (SDGs) that aim for a sustainable society.

In particular, we recognize that protection of the global environment, including the response to climate change resulting from global warming, as seen in the increasing severity of natural disasters, is a crucial management issue for business continuity. Accordingly, in April this year we formulated JR-West Group Zero Carbon 2050, a long-term environmental goal to realize a decarbonized society. This includes the objective of achieving "net zero" CO<sub>2</sub> emissions for the entire JR West Group by 2050, and to that end, also sets a target of reducing CO<sub>2</sub> emissions by 46% in fiscal 2031 versus fiscal 2014. In addition, we have endorsed the Task Force on Climate-related Financial

Disclosure (TCFD) and are disclosing information based on its recommendations.

Through these efforts, we will further refine the environmental superiority of our railways and build railways that can be used more than ever before.

While fulfilling our mission to create "a safe, comfortable society filled with meetings among people and smiles," we aim to achieve sustainable growth for the Group and also to contribute to the creation of a sustainable society through collaboration with our stakeholders, as "a railway company that coexists with local communities." I will take the lead in vigorously promoting the Group's concerted efforts.

*Kazuaki Hasegawa*

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President and Representative Director

