

Sustainability initiatives

JR-West Group's approach to sustainability

The JR-West Group develops various businesses such as wide-area infrastructure services, prioritizing safety above all, and has contacts with many customers and connections with communities. Based on Our Purpose, from the perspective of sustainability, which is important

for sustainable social development and sustained corporate growth, we will face social challenges, evolve our connections, create social and economic value through our business, and contribute to the achievement of the SDGs.

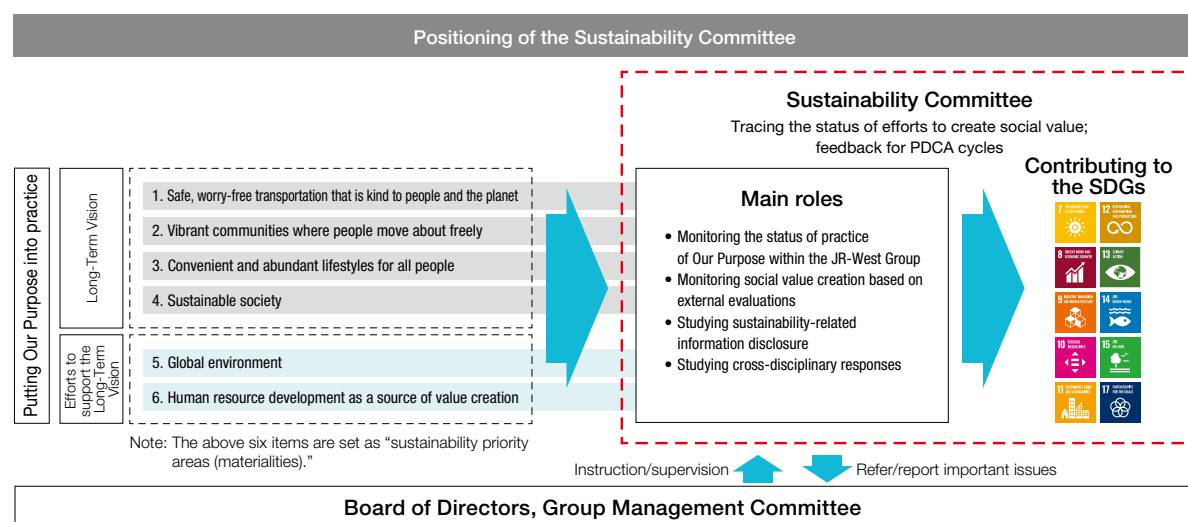
Sustainability promotion system

The Sustainability Committee discusses risks, opportunities, and initiatives related to sustainability. In principle, the committee meets twice a year, with the president as the chair and comprising executive directors in charge of Head Office departments and general managers of related departments in charge of sustainability initiatives and information disclosure. The contents of the deliberations are submitted to and reported at meetings of the Board of Directors and the Group Management Committee, and initiatives are confirmed following repeated discussions, which also include outside directors.

The JR-West Group has formulated a Long-Term Vision to achieve Our Purpose and set four social issues to focus on (safe, worry-free transportation that is kind to people and the planet; vibrant communities where people move about freely; convenient and abundant lifestyles for all people; and a sustainable society).

We have set six priority areas for sustainability (materialities) with the addition of the "global environment" and "human resource development as a source of value creation," which are the foundations for tackling social issues listed in the Long-Term Vision.

We believe that, in order to create social value, it is important to realize our materialities and to share and communicate Our Purpose, which is central to them. The Sustainability Committee takes a bird's-eye view of the status of initiatives in each sector, which are aimed at putting Our Purpose into practice and realizing our Long-Term Vision, taking into account external evaluations, the degree to which goals have been reached, and any issues that remain. It then provides feedback to the relevant departments for implementation of the PDCA cycle.



Third-party ESG evaluations

We have been selected as a constituent stock of the following ESG indices.

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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FTSE4Good



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index



S&P/JPX Carbon Efficient Index

Identifying materialities

Identifying sustainability priority areas (materialities)

From the perspective of effectively utilizing limited resources, we discussed at the management level the priority areas (materialities) that are particularly relevant to our company's corporate value enhancement. In identifying the materialities, we studied social issues, created a candidate list, and evaluated them on two axes: social value (impact on society) and economic value (impact on JR-West), extracting issues with high social and economic value.

Based on the discussions held to formulate Our Purpose, Long-Term Vision, and Medium-Term Management Plan, we set the materialities in conjunction with the issues of the "global environment" and "human resource development as a source of value creation" to support the realization of the four priority issues (= Long-Term Vision), in anticipation of the emergence of various social issues in the next 10 years.

Specific process leading to materiality identification

STEP 1

Comprehensive understanding of social issues

We identified social issues to be addressed from an ESG perspective, referring to the FTSE ESG external evaluation items and the SASB Standards for ESG disclosure. We also identified social issues from the perspective of the SDGs and created a candidate list of materialities.

STEP 2

Prioritizing issues from the perspective of the JR-West Group

We prioritized the issues to be addressed by comparing the list of materiality candidates identified in Step 1 with risks, opportunities, and relationship with our corporate philosophy.

STEP 3

Prioritizing issues based on the degree of impact on society and JR-West

Based on evaluations and comments from stakeholders, including investors, and ESG rating agencies, we prioritized issues to be addressed from the perspectives of impact on society and our company.

STEP 4

Identification of materialities

Based on the list of materiality candidates compiled in Step 2 and Step 3, we selected six materialities as priority areas with high social and economic value in discussions at the management level (Board of Directors). In the selection process, the discussions on the formulation of Our Purpose, Long-Term Vision, and Medium-Term Management Plan were also reflected. The Board of Directors will regularly review the status of initiatives, and the Sustainability Committee will monitor whether they lead to the creation of social value.

STEP 1 • STEP 2

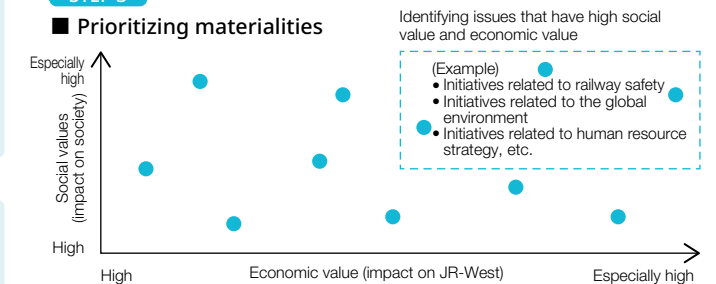
Listing materiality candidates

Identification of social issues based on ESG external evaluation items and ESG disclosure standards (example)			
	E (environment)	S (social)	G (governance)
FTSE	<ul style="list-style-type: none"> Biodiversity Climate change 	<ul style="list-style-type: none"> Customer responsibility Human rights and the community 	<ul style="list-style-type: none"> Anti-corruption Transparency of taxes
SASB Standards	<ul style="list-style-type: none"> Greenhouse gas emissions Energy management 	<ul style="list-style-type: none"> Product and quality safety Employee health and safety 	<ul style="list-style-type: none"> Business ethics Critical incident management

Identification of social issues based on the SDGs (example)			
Relevance to JR-West Group businesses	E (environment)	S (social)	G (governance)
Especially high	<ul style="list-style-type: none"> Climate change measures Conserving marine resources 	<ul style="list-style-type: none"> Employment and motivating work Sustainable tourism 	<ul style="list-style-type: none"> Efficient public-private-civil society partnerships
High	<ul style="list-style-type: none"> Ensuring the sustainability of water and sanitation Securing sustainable energy Preventing loss of biodiversity 	<ul style="list-style-type: none"> Ensuring women's participation and equal leadership 	
Low		<ul style="list-style-type: none"> Poverty eradication Ensuring healthy lives Ensuring high-quality education 	

STEP 3

Prioritizing materialities



STEP 4

6 materialities

Long-Term Vision

- (1) Safe, worry-free transportation that is kind to people and the planet
- (2) Vibrant communities where people move about freely
- (3) Convenient and abundant lifestyles for all people
- (4) Sustainable society

Efforts to support the realization of the Long-Term Vision

- (5) Global environment
- (6) Human resource development as a source of value creation

Sustainability initiatives

Sharing and communicating Our Purpose in support of social value creation

The JR-West Group's materialities have been established as priority areas closely connected with improving social value and achieving the ideal that we are aiming for with Our Purpose. We seek to achieve this through a variety of business activities that will cumulatively foster value creation. In order to generate and develop business activities that lead to the realization of our materialities, we believe it is important to ensure there is greater understanding of, and resonance with, Our Purpose to which we aspire.

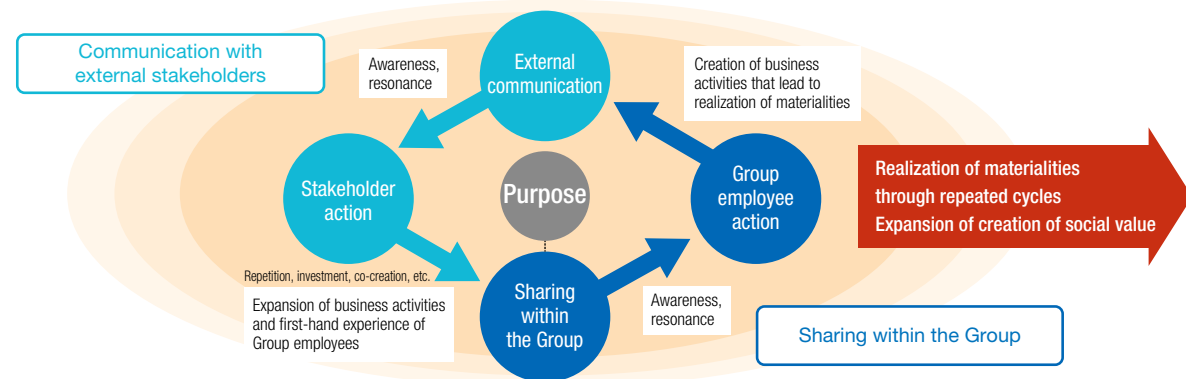
In the JR-West Group, we are committed to Our Purpose, and we seek to expand business activities and value creation leading to the realization of our materialities through a repeated cycle of sharing Our Purpose within the Group, as well as communicating it to external stakeholders. In sharing this within the Group, we will raise awareness of the significance and passion behind Our Purpose, while also increasing momentum for creating social value, which will lead to concrete actions by

Group employees and will create business activities that actually lead to the realization of our materialities. When communicating with external stakeholders, we will communicate what kind of corporate group we want to be, based on our business activities, and this will lead to positive action based on the resonance we engender, which will expand our business activities and create a sense of accomplishment among Group employees, leading, in turn, to the next stage in the sharing cycle. By continuing this cycle, we hope to strengthen the behavior of Group employees and stakeholders, leading to the realization of materialities through business activities and the creation of greater social value.

The Sustainability Committee checks the status of this cycle and provides feedback on the results of monitoring, such as employee awareness surveys and brand research, to help improve the quality of future activities.

Relationship between the implementation of Our Purpose and materialities/creation of social value, and examples of initiatives

Relationship with materialities



Examples of sharing and communicating

Creating a sense of unity throughout the Group

Example Group-wide public relations and standardized logo



WEST
もっとつながる。未来が動き出す。

Communicating significance and history

Example Group company entrance ceremonies, internal dialogue events



Communicating the worldview of Our Purpose to society

Example Corporate website themed on Our Purpose, dedicated page to convey the worldview of Our Purpose (West Moves)



Example
Concept image commercial



Progress of materiality-specific KPIs

Materiality	The future we want to realize	Target status, KPIs, etc., by FY2026	FY2024 results
1. Safe, worry-free transportation that is kind to people and the planet	A future where transportation is established and recognized as a seamless service	Objectives over the 5 years through FY2028 Train accidents that result in casualties among customers: None Train labor accidents that result in fatalities among employees: None	None 2
		Objectives to achieve by FY2028 Platform safety Among stations covered by the barrier-free fare system, 1. Install platform gates at stations with more than 100,000 passengers: 60% installation rate 2. Install platform gates or platform safety screens at stations with fewer than 100,000 passengers: 50% installation rate	Installation rate 48% Installation rate 12%
		Railway crossing safety Install devices that verbally notify train drivers when a large vehicle is stuck on the crossing 1. Railroad crossings equipped with radio notification systems: 90% installation rate 2. Railcars equipped with image recognition systems: 60% installation rate	Installation rate 60% Installation rate 4%
		Earthquake countermeasures Earthquake countermeasures for the Sanyo Shinkansen 1. Measures to prevent structural collapse (bridge pier reinforcement): 100% installation rate 2. Measures to prevent large track subsidence (reinforcement of rigid frame abutments): 100% installation rate 3. Measures to prevent significant train deviation (installation of derailment prevention guards in high-priority sections): 100% installation rate	Installation rate 90% Installation rate 36% Installation rate 67%
		Desired state A state in which a safety-first culture is fostered, a system for ensuring safety throughout the organization is established, and safety think-and-act initiatives are practiced by all individuals	Management that prioritizes on-site decisions, a mindset of putting customers first and meeting their expectations, the creation of psychologically safe teams, on-site thinking and actions, and the five values we want to cherish
2. Vibrant communities where people move about freely	A future where the appeal of communities improves, leading to an increase in permanent residents, exchange, and related populations	● Number of visitors to areas around major stations Area around Osaka Station Area around Kyoto Station	1,490,000 people/day 514,000 people/day
3. Convenient and abundant lifestyles for all people	A future where the fusion of the good aspects of the real world and the digital world greatly enhances individual experiences	● WESTER membership ● Number of active members ● Mobile ICOCA users	About 8.11 million About 2.64 million About 1.49 million
4. Sustainable society	A future where a sustainable social system is built through collaboration with various partners	● Gain local fans through WESTER ● Create business that helps address local issues ● Realize an easy-to-use and sustainable local transportation system	Certification of restructuring plan of the Johana and Himi Lines
5. Global environment		See page 60	See page 60
6. Human resource development as a source of value creation		Human resource cultivation ● Number of users of various systems to support career development: 2,322 Among them, the proportion of those who have skills related to businesses that are not linked to mobility: 28% ● Proportion of employees who acquired multiple specialist skills: 30% ● Next-generation senior management human resource reserve ratio: 330% Diversity and inclusion ● Percentage of women in leadership positions: 8.0% ● Percentage of women in managerial positions: 5.5% ● Percentage of employees with disabilities: 2.8% Work engagement ● Ratio of lively workplaces: 88%	3,099 people 30% 48% 221% 6.8% 3.6% 2.94% 60%