

**Envisioning a sustainable and vibrant future for western Japan—
Relying on “Our Purpose” as a compass guiding us in tackling
the issues confronting society, stirring people’s hearts,
and driving the future towards our vision for tomorrow**



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On assuming the position of president

The expectations for the JR-West Group are great, and I feel the weight of responsibility to meet them. Along with all of my colleagues in the Group who are working towards a shared vision for tomorrow, I seek to represent the will of all stakeholders in my pursuit of management.

Assuming the position of president and representative director has made me realize anew the weight of responsibility we bear as a company responsible for social infrastructure, centered on railways. For the JR-West Group, safety is the foundation of all our business. Through our ongoing efforts to improve safety, we are determined to fulfill our mission of ensuring that people can use our services with peace of mind, as we safeguard the foundations of society and the economy and contribute to their development.

The dialogue I have had with various stakeholders since taking office has impressed upon me the high expectations people have for the JR-West Group, such as in invigorating local communities and fostering the growth of non-resident populations. As social issues, such as population decline and intensifying natural disasters, become more pronounced, the Group, which provides infrastructure services and has points of contact with many customers and ties with local communities, will need to play an even greater role in the future.

The dialogue has also served as a reminder of the various organizational capabilities that the Group has cultivated through its business activities. In order to transform these capabilities into tangible forces that will drive the future,

co-creation with various partners is key. Through co-creation, we will further expand our current business domains and tackle the challenges of addressing social issues. This is the spirit embodied in “Our Purpose,” which I believe will stir people’s hearts and drive the future. Both “co-creation” and “challenge” are keywords for the growth of the Group, which we will continue to emphasize moving forward.

In each business area, I have provided opportunities for dialogue with my colleagues—the employees, including those at group companies, who are the driving force in tackling the Group’s challenges—to talk about their aspirations, their pride in their work, and their expectations for the future. I recognize that maintaining frank and honest communication is one of the roles of a leader. Through this two-way communication, I hope, as a fellow coworker in moving forward towards our vision for tomorrow, to fulfill my responsibilities in making and implementing accurate management decisions that represent the will of all stakeholders.

Moving forward, I will continue to ensure that railway safety is our foundation, value the aspirations and pride of employees, and, through the tackling of co-creation and challenges, work hard to meet the expectations of stakeholders.

Review of fiscal 2025

The start of Hokuriku Shinkansen service between Kanazawa and Tsuruga and the opening of development projects in Osaka and Hiroshima resulted in four consecutive periods of revenue and profit growth. It was a year of greater connection with the local community and society.

Fiscal 2025 was a year which saw us, in line with Our Purpose, update the JR-West Group Medium-Term Management Plan 2025 and accelerate our efforts to realize the Long-Term Vision 2032.

Improving railway safety is a top priority, and determined to never allow a tragedy like the Fukuchiyama Line derailment accident to occur, we are working to build a system that ensures safety throughout the organization, along with a culture that prioritizes safety. By steadily implementing safety measures that are based on an understanding of the actual situation, we have been able to prevent train accidents that result in customer casualties and train labor accidents that result in employee fatalities. Based on the JR-West Group Railway Safety Think-and-Act Plan 2027, we are steadily making progress in improving infrastructure, including safety measures

for platforms and railway crossings and earthquake countermeasures. We have also focused on intangible people-oriented initiatives, such as pursuing management that prioritizes on-site decisions, promoting a mindset of putting customers first and meeting their expectations, and accumulating practical training.

Additionally, in both the mobility services and life design fields, many projects that the entire Group has been working on have now launched.

The start of Hokuriku Shinkansen service between Kanazawa and Tsuruga in March 2024 has generated new traffic and greater exchange in and outside the Hokuriku region, with 8.16 million passengers using the line in one year (between Kanazawa and Fukui).

In July 2024, Inogate Osaka and The Osaka Station Hotel

opened in the west area of Osaka Station, and in March 2025, Umekita Green Place opened in the Umekita area. Each area is connected by a pedestrian deck, creating a new liveliness around Osaka Station, the largest terminal in western Japan.

Also, other developments, such as the opening of the new Hiroshima Station building, minamoa, in March 2025 and the start of Hiroshima Electric Railway operations on the second floor of the new station building in August, which makes it easier to transfer between JR and streetcars, have contributed to urban development. We believe that these efforts are attracting the interest of not only Hiroshima City but also neighboring municipalities, which see minamoa as a new hub for the region.

Through all of this, the entire Group has been able to further strengthen its connection with the local community and society. As for the Group's current performance, we have achieved increases in both revenue and profit for a fourth consecutive period by steadily capturing demand, including inbound



tourism, through various measures. We feel confident that we are on track to achieve the goals of our medium-term management plan.

emergence of new opportunities. The JR-West Group, which has a responsibility in supporting social infrastructure, is faced with an increasingly severe and complex business environment. While risks are certainly increasing, we believe that new opportunities can also be created by leveraging the organizational capabilities and various resources we have cultivated through the Group's businesses, such as railway operations.

For example, in the face of population decline, we believe that by leveraging local connections and railway networks, we can create new demand, such as through non-resident populations that remain involved in their areas, thereby fostering more vibrant communities. We are also working with major regional newspapers on the Furusato no Hikari Discovery Project, which aims to identify and highlight the charms of each region in western Japan. The Expo has also accelerated the trend toward digitalization and cashless transactions across

Japanese society. Opportunities lie ahead as we leverage our strengths and work towards solutions for newly emerging social issues. We will pursue co-creation with a variety of partners to take on the challenge of addressing social issues.

Against this backdrop, we believe that improving corporate sustainability means achieving both social and economic value, and that this is the very essence of the Group's business, which aims to realize the Long-Term Vision based on Our Purpose.

We will incorporate this understanding into our next medium-term management plan, which we are currently discussing and which will begin in fiscal 2027. Looking further ahead, we are seeing progress on projects that will significantly change the Kansai region, such as the Osaka integrated resort and the opening of the new Naniwasuji Line. We will contribute to economic revitalization while preparing to make the most of this opportunity for the growth of the Group.

Expo 2025

After 55 years, the World Expo was once again held in Osaka. Our chief focus was on providing safe access, which is the primary mission of public transportation, and the entire JR-West Group worked to help enliven the Kansai region.

In 2025, Osaka was host to Expo 2025, marking 55 years since the last time the World Expo was held here. The event generated a great deal of excitement, with over 25 million people from Japan and overseas coming to visit.

As a public transportation company, our primary mission was to provide train and shuttle bus access to the Expo site. We were prepared for any situation and put into place a system that allowed us to respond quickly, such as by improving the Nishi-Kujo and Bentencho stations (where people transfer), operating direct trains from Shin-Osaka Station, and providing information at each station, in order to ensure that visitors could travel safely with peace of mind. With the cooperation of our partners and the thoughtful action of our employees, we were able to fulfill our role without incident, for which we are both truly grateful to everyone involved and feel relieved.

Additionally, it was a great asset for the entire Group to be

involved in creating value for the future while deepening collaboration with various partners, such as by participating in the "Nest for Reborn" Osaka Healthcare Pavilion and by developing and selling unique JR-West souvenirs at our official store. On the last day, we held a closing event and I was able to express my gratitude to all the staff who helped make the Expo a success. I hope to use the experience the JR-West Group gained from welcoming visitors to the Expo and helping enliven and create excitement in the Kansai region to further the growth of the Group.

For me, the exhibits and events at the Expo were both novel and inspiring in many ways, as they exposed me to future-focused ideas and innovation from all over the world gathered together under the motto of "Designing future society for our lives." It made me feel that we have even more possibilities ahead of us and that we can make broader contributions. I am truly grateful for that.

Outlook for the mobility services field

As the business environment becomes increasingly severe, we will continue to work towards the sustained evolution of railways, maintaining safety as our foundation.

There is no end to safety efforts, and our efforts to improve railway safety, which began with the Fukuchiyama Line derailment accident, will remain our most important business challenge. We will continue to steadily move forward with each measure outlined in our Railway Safety Think-and-Act Plan to build railways that people can reliably use again and again with peace of mind.

Even amidst an increasingly severe business environment, achieving the continuous evolution of railways remains an important challenge. We will utilize our railway network, centered on the Shinkansen, to foster non-resident populations and contribute to the development of local communities. In collaboration with a number of partners, we are developing a campaign called "Let curiosity move you," which proposes a new style of travel. In response to inbound demand, which is growing year by year, we are working with local partners to enhance the appeal of western Japan and attract visitors from a wide area, through such efforts as improving the system for accepting tourists and the Setouchi Palette Project.

Meanwhile, to address a declining workforce, we will work to improve productivity by leveraging technology. We will innovate our operations with flexible timetables based on demand forecasts and optimize vehicle operations using AI, and innovate maintenance methods with CBM (condition-based maintenance) and by introducing multifunctional railway

heavy machinery. We have also begun tackling a range of other challenges, such as standardizing equipment and parts, hiring foreign nationals and developing human resources, and working together with other companies in the same industry to solve common issues.

With regard to the continuous evolution of railways, the future of local lines is also a major issue. Due to environmental changes, such as the development of road networks and the progress of road-centered urban development, railway usage is declining at a rate that exceeds the rate of population decline in some regions. The current situation is that railways are not fully utilizing their characteristics as mass transport. Based on visions for each region, we will explore and realize a sustainable and optimal transportation system that will lead to development together with local communities.

While the cost structure reforms we have been implementing since the COVID-19 pandemic have been effective, rising prices and interest rates are having a serious impact on our business. In order to balance growth with human capital investment aimed at securing talent across the supply chain and thereby continuously fulfill our mission as a public transportation provider, we recognize the need for a system that allows us to pass on cost increases to railway fares and fees in an appropriate and timely manner. We will continue to urge the government to deregulate.

Business environment and challenges

We are facing a variety of challenges in an increasingly severe business environment. This presents us not only with risks but with new opportunities as well.

Amidst the range of challenges confronting society, including accelerating population decline, rising prices and interest rates, intensifying natural disasters, and aging infrastructure,

consumer preferences are also diversifying. Meanwhile, technological innovation, such as the rapid advancement of generative AI and its implementation in society, is leading to the

Outlook for the life design field

To be a corporate group that continues to grow, we will accelerate initiatives that leverage the JR-West Group's strengths.

In light of the business crisis caused by the pandemic, we recognize that expanding the life design field, a business area not necessarily linked to mobility, and building an optimal business portfolio are important issues for the continuous growth of the Group.

In the areas of real estate and city development, we will maximize the effects of large-scale projects in Osaka and Hiroshima, while also striving to achieve further growth by, for example, expanding highly liquid assets in the large Tokyo metropolitan area and making effective use of private funds and private REITs.

We are also working to address emerging social issues. In February 2024, we launched JCLaaS, a comprehensive infrastructure management business that is being advanced through a wide range of collaborations, including between ourselves and our partners in finance and digital transformation. In recent years, the aging of infrastructure like

roads and water and sewerage systems has become a major social issue. The gravity of this issue is often brought up in discussions with local municipalities. By utilizing the diverse skills and know-how the Group possesses in the construction and maintenance of infrastructure, including railways, roads, and bridges, we hope to contribute in supporting the foundations of local communities by participating in a business that protects infrastructure.

Regarding our digital strategy, the strength of the Group is that we have abundant resources in both the physical and digital worlds. Five million customers use JR-West Group services every day, and because these services use a common ID, we can carry out marketing activities tailored to the needs of each individual. By leveraging this kind of strength, we will develop collaborations between the WESTER app, Mobile ICOCA, and Wesmol, a code payment service that was launched this fiscal year.

The human resources that drive the JR-West Group

We want to create an environment where diverse employees can use their creativity and ingenuity as a powerful force to move us towards the future.

Human resources are the foundation of the JR-West Group's operations and the driving force behind our progress into the future. In a rapidly changing business environment, we must not only steadily deepen our existing businesses but also take on various challenges, such as building new business models, including in the digital realm.

Passion and ingenuity are important to take on new challenges, and we managers must not only demonstrate our

own enthusiasm for challenge but also create an environment where each employee can thrive as they tackle new challenges. We will support our employees in taking on challenges, such as by improving our digital tool environment and revising various systems to allow employees to experience growth through their work. Furthermore, as our business domain expands, bringing together human resources with diverse values—regardless of things like gender, nationality, and employment status—to embody diversity will be at the foundation of our business activities.

If employees are not healthy and motivated, they will not be able to perform to their full ability. In order to promote work styles that suit individual lifestyles, as well as to create a workplace that can accommodate these, we have also undertaken office reforms that incorporate feedback from employees offered through voluntary workshops.

In our dialogue with employees, we make it known that, while resources may be limited, creativity has infinite possibilities. We want our diverse workforce to pool its wisdom and be creative in order to provide a powerful force that will move us towards the future.



Dialogue with employees



Addressing climate change and its impact on business

Climate change is becoming increasingly serious worldwide. By leveraging the characteristics of railways, an environmentally friendly mode of transportation, we will contribute to protecting the global environment.

The threat of climate change is increasing worldwide, producing major disasters and other problems. Even in Japan, this is affecting human activity, as seen during the extreme heat this summer.

Actions to protect the global environment are extremely important from the perspective of sustainability-focused management. We have formulated the JR-West Group Zero Carbon 2050 long-term environmental goals and have now set new medium-term targets for fiscal 2036 and fiscal 2041. We will continue to steadily advance our efforts toward carbon neutrality by fiscal 2051, including increasing the proportion of renewable energy used to power our railways.

Compared to other modes of transportation, railways emit extremely low amounts of CO₂, making them an environmentally friendly mode of transportation. If we can raise

awareness among our customers about the environmentally friendly benefits of railways and thereby facilitate behavioral change, such as a shift from other modes of transportation, we believe we can make a significant contribution to protecting the global environment. Specific ways that we are working to change people's behavior include the introduction of GreenEX, a net-zero CO₂ service based on corporate contracts on the Tokaido, Sanyo, and Kyushu Shinkansen lines. We're also promoting the adoption of renewable energy in areas along railway lines through Kansai Machi We'll, a regional decarbonization consortium comprising railway operators and municipalities along railway lines.

In addition to achieving the Group's environmental goals, we will also contribute to the realization of a carbon-free society by leveraging the characteristics of railways.

Message to stakeholders

The JR-West Group will continue to work as one, taking on co-creation and challenges to drive the future.

When I envision the future of the JR-West Group, there is one phrase that always comes to mind. That is "Stir the heart, drive the future," which comes from Our Purpose. This "future" encompasses both the future of the Group and the future of the society and communities that we journey together with. I believe that this is where the significance of our existence is found.

Looking back over the past year, I believe that our various real-world and digital projects have strengthened our connections with people, communities, and society, and that these efforts have also led to improved business

performance. As a result, we have been able to enhance our human capital, such as by improving employee benefits, and return profits to shareholders through dividends and share buybacks, as promised.

Our promise to society is that we will contribute to the creation of a sustainable and hopeful society where each of us can realize the way of life that we envision, relying on Our Purpose as a compass to guide us. We will continue to tackle co-creation and challenges in order to address the issues confronting society, stirring people's hearts, and driving the future towards our vision for tomorrow.