

Special roundtable



including population decline, low birthrates, and an aging society. Going forward, the Group will be pursuing discussions aimed at formulating the next medium-term plan. From the perspective of an Audit and Supervisory Committee member, tell us your expectations and what challenges you think JR-West will face.

Goto: I have high hopes for the new Wesmo! business. It's a business that will see exponential growth as the number of users increases. However, as this is the first venture into the funds transfer industry, there are risks involved. I hope JR-West will fully pursue its ambitions in this business but, before that, will properly put in place a security system to ensure users feel safe.

Hazama: The Audit and Supervisory Committee will closely monitor new businesses, such as the Wesmo! funds transfer service, among the list of audit items. Today, we are holding this discussion at the Wester-X Business Division office. Ms. Tada, you have experience in digital initiatives. What do you think?

Tada: The key is how to create true synergy. We've created an environment where everyone can freely and openly connect information using IT. By sharing not only the details of our business but also our goals, it would be great if all employees could overcome barriers and create new value. To achieve this, diversity is important, and we should aim to build psychologically safe teams for the next generation.

Hazama: JR-West has a range of software and systems for things like railway timetable adjustments, schedule creation, and service-related work in the customer satisfaction departments. It would be great if these could be used effectively to demonstrate Group synergy.

Ogura: We will discuss with a sense of urgency what the Group's strengths are in the current economic situation with a shrinking population. We will also consider the next medium-term plan and long-term vision.

Tada: I want to further develop JR-West's strengths in its ties with local communities. The people who live there know best what's good about their community, so I want us to work together to increase the potential of those communities.

Hazama: JR-West works with local governments and businesses to help create urban landscapes and to develop important infrastructure. I think its strength is being able to create things that will be used by future generations. It's a

time-consuming job, but being involved in work that spans long-time horizons is both a joy and of great value.

Tada: Even if you don't see results during your tenure, the projects you've worked on will continue. Or you may be working on something pioneered by someone else and nearing completion. I think we're all working hard to live in harmony with the local community.

To conclude: Resolutions as an Audit and Supervisory Committee member for further growth of the JR-West Group

Hazama: In order for the Group to continue to grow and provide social and economic value to stakeholders, it is essential that all group employees use Our Purpose as a compass and work toward realizing the Group's long-term vision and medium-term plan. So, to conclude, tell us your resolutions as an Audit and Supervisory Committee member for further growth of the Group.

Ogura: While various mechanisms are important, it is only by sharing information and exchanging opinions with all levels that we can provide opinions and suggestions based on facts. In that sense, I am keenly aware that we need full-time Audit and Supervisory Committee members, even though this is not legally required, and I intend to fulfill my duties while always keeping in mind the role and significance of full-time positions.

Tada: I also work full-time, and one of the significances of my position is that, because I am in the company, I can be consulted about things that would otherwise be difficult to say. I also want to provide the Audit and Supervisory Committee with the information they need for conducting audits and making judgments by properly communicating the company's internal situation.

Goto: Our Audit and Supervisory Committee members are very active, not only at the Head Office but also at branch offices and subsidiaries, attending important meetings and so on, but they also provide thorough oversight. At present, the effectiveness of the Audit and Supervisory Committee is ensured, but there are some aspects where it is unclear whether it will function in an emergency, making it difficult to evaluate. Although we have a solid audit system in place in normal times, I feel that we need to be aware that its true value may be tested in an emergency.

Hazama: The JR-West Group's mission is to enrich everyone's lives by providing a variety of services in addition to safe and secure transportation. Earlier, we mentioned the importance of diverse human resources, and in order to fulfill our mission, I hope that the JR-West Group can first be a corporate group where each and every employee can thrive. At the same time, today's roundtable discussion has reminded me once again of the importance of regularly obtaining a variety of information, including from the field, and acting accordingly as an Audit and Supervisory Committee member. Thank you for your time today.

Group risk management (Company-wide risk management system)

JR-West Group's approach to risk management

With the aim of promoting sound group management and continuing to take on the challenge of creating new value in the medium to long term, we have positioned risks that could hinder the realization of our Long-Term Vision and the achievement of our Medium-Term Management Plan as important risks for the Group, and have established a company-wide risk management system to monitor the management status of these risks.

Of the risks identified and selected by each in-house company, group company, and department within JR-West (corporate), the Group Risk Management Committee meets twice a year to compile and list the important risks that must be addressed from a management perspective. It confirms and discusses these risks, taking into account lessons learned from risk events that have occurred both inside and outside the JR-West Group.

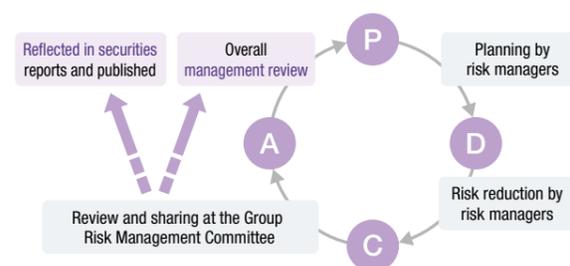
When identifying and selecting major business environment-related risks, we seek insight into what society will be like in the future and review and verify the direction of the strategies we need to adopt from a backcasting perspective.

Additionally, we have established individual, specialized committees to engage in more concrete and efficient discussion on such risks as railway safety, climate change, and human rights.



Company-wide risk management PDCA cycle

Risk managers plan ways to control and reduce major risks in the businesses and operations under their respective purviews. The Group Risk Management Committee creates a list of the "accumulated" major risks reported by risk managers and the "bird's-eye view" corporate strategy risks presented by the general manager of the Corporate Strategy Headquarters. This allows for centralized management of offensive and defensive risks. In addition to reflecting the Committee's discussions in securities reports, we also disseminate Group risk management reviews and policies within the company as "management reviews" to make improvements through the PDCA cycle.



List of business risks and other operational risks published in securities reports

Based on the standards required by the Cabinet Office Order on Disclosure of Corporate Affairs, the "Business Risks and Other Operational Risks" section of the securities report describes the likelihood and timing of risks manifesting, the impact of risks on business, and measures used to address risks.

Business risks and other operational risks

1. Ensuring safety	7. Occurrence of serious crimes, terrorism, etc.
2. Occurrence of natural disasters and other disasters	8. Infectious disease outbreaks and epidemics
3. Dramatic changes in the business environment	9. Compliance
4. Securing human resources	10. Specific legal regulations (railway business, Shinkansen development)
5. Securing supply chains	
6. Information security and management	

Group risk management (Company-wide risk management system)

In addition to establishing and operating a company-wide risk management system, we are implementing the following initiatives to enhance the effectiveness of risk management.

Multifaceted analysis and handling of business and policy-specific risks

With regard to important measures such as the agenda items to be submitted to the Group Management Committee, specific risks are subjected to investigation and analysis carried out in conjunction with legal departments. In addition, if there are any changes in the risk situation after decisions are made, a system is in place to issue the necessary reports to the Group Management Committee and others.

Before decisions are made	After decisions are made
Ensure that business departments and legal departments share information from the planning stage of important policies and that specific risks are presented to the management team in an appropriate manner for decision-making.	After decisions are made, monitor the status of risks that could have a significant impact on the Group's management, as well as the status of other, remaining risks, and issue reports to the Group Management Committee and others.

Establishing prior consultation rules

At JR-West, in order to ensure that business and legal departments work together early and respond appropriately to risks that may arise in the course of policy implementation, we have clarified matters for which legal departments will perform risk checks in advance, such as in the case of important investments and contributions.

Sharing major legal risk cases with management

The findings gained from analyzing contract risks, compliance risks, and other risks and how we responded to them in the JR-West Group are regularly reported to the Group Management Committee and others.

Privacy governance (Establishment of a system for protecting personal information and privacy)

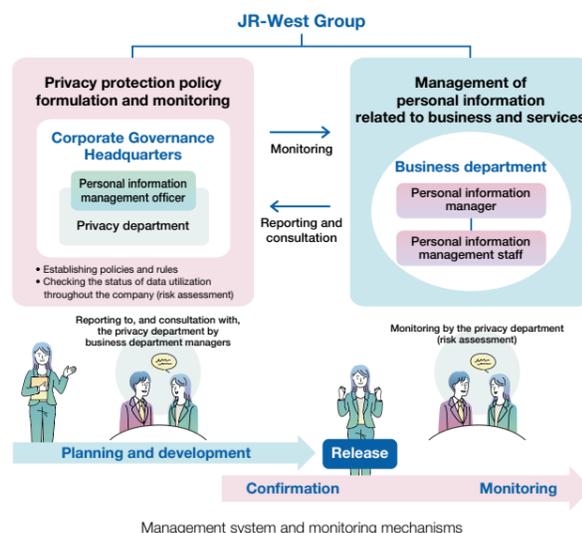
When handling our customers' important data, we not only comply with laws and regulations but are also proactive about matters like privacy consideration and ensuring transparency. In addition to developing a system based on the "Guidebook for Corporate Privacy Governance in the Digital Transformation Era" established by the Ministry of Economy, Trade and Industry and the Ministry of Internal Affairs and Communications, we are also working to protect the personal information of customers from overseas, whose numbers are increasing due to inbound tourism demand.

Privacy Station

We have established a Privacy Station webpage to inform customers of our approach and efforts related to privacy protection, and this includes disclosure of the JR-West Group Privacy Policy, which unifies our stance on privacy protection across the entire Group.

Establishing a management system for handling personal information

We have established a dedicated team to oversee personal information protection and privacy. This team has put in place a system to consider privacy protection from the perspective of data utilization by the JR-West Group at the planning and development stages. It also works to enhance rules.



Personal information protection-related training within the Group

To improve personal information protection-related literacy throughout the JR-West Group, we provide training to group companies and other entities in person and via video streaming.



Privacy Governance, Corporate Governance Headquarters
Ryoga Oshiba

Working as an expert to strengthen governance

I was appointed as a founding member of the Privacy Governance Group, which was established in June 2024 as a team dedicated to privacy protection, through an in-house recruitment system. I am working to strengthen governance across the entire Group by establishing a privacy protection system within the JR-West Group, conducting risk analysis for projects, and providing accompanying support. Although this is a difficult field, I feel I am growing as an expert and find the job rewarding.

Emergency preparedness

Basic approach to emergency preparedness

In the event that an emergency occurs, or is likely to occur, the JR-West Group has put in place a range of mechanisms to minimize losses for the Group by quickly containing the emergency and restoring operations, with the safety of customers and employees as top priority.

Initial response system and BCPs

In order to put in place a system facilitating a rapid and appropriate initial response following the occurrence of a risk event, which encompasses a diverse range of hazards such as natural disasters and terrorism, we have prepared systematic regulations and manuals and conduct regular training.

Events for which rules and manuals are established individually

- Train accidents involving passenger deaths and injuries
- Terrorist acts, killings, bodily harm, or bombings at our facilities
- Large-scale disasters
- Armed attacks and other such situations
- Crisis situations when traveling abroad
- Personal information leakage
- Food-related accidents
- Systems failure

We have established emergency response guidelines, which stipulate initial response procedures that can be applied to cases that are difficult to handle, such as by using existing rules, and that can functionally support the emergency headquarters of group companies. In addition, we have formulated business continuity plans (BCPs) for the resumption of railway operations and the continuation of business, such as in the event of an infectious disease outbreak, so that we are prepared for emergency situations and can flexibly establish business execution structures suited to the level of the emergency.

Cooperating with group companies in normal times and using an emergency communication system

We ensure cooperation during normal operation periods by holding regular meetings with emergency management personnel from group companies and elsewhere. We also have

Food safety and building and equipment safety initiatives

In order to mitigate risks to customer safety, we are pursuing food safety and building and equipment safety initiatives. For both, we have formulated common guidelines for the JR-West Group and are working to improve and maintain safety and quality levels for the entire Group. Regarding food safety, we collaborate with specialized, outside consulting firms to prevent food poisoning, allergy-related problems and other health hazards, and legal violations. These efforts include improving the effectiveness of daily hygiene management, quality control and internal audits, and adapting to changing laws and regulations.



Group-wide training on food safety

