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West Japan Railway Company
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https://www.westjr.co.jp

The corporate governance of West Japan Railway Company (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic views

Based on its "Corporate Philosophy" and "Safety Charter," the Company will make steady efforts to establish "corporate culture that places top priority on safety" to fulfill corporate social responsibility and to achieve sustainable growth for the future.

In order to realize these objectives, the Company will execute business operations from a medium- to long-term perspective in keeping with the intent of the "Corporate Governance Code" and the characteristics of its businesses centered on the railway business, and it will strive to establish long-term trusting relationship with each of stakeholders including shareholders. Furthermore, from the perspective of improving transparency, soundness and efficiency of business operations, the Company, aiming for the enhancement of corporate governance, will make efforts to improve the systems to ensure the following: establishment of corporate ethics, strengthening of functions to monitor and supervise corporate management, and prompt execution of operations.

[Reasons for non-compliance with the principles of the Corporate Governance Code]

Principle 1.4

1. Policy for acquiring and holding listed stocks

To achieve sustainable growth of the business aiming at an increase in the corporate value of West Japan Railway Group (the "Group") over the medium- to long-term, the Company believes that it is important to strive for the maintenance and strengthening of relationships with clients or suppliers which may contribute to such growth. Therefore, the Company acquires and holds shares of the relevant client and supplier companies, comprehensively taking into account matters including a synergetic effect on the businesses of the Group.

With regard to holding such shares, the Company examines whether such holding may contribute to the increase of corporate value from the perspectives of medium- to long-term economic rationale and relationships between the client or supplier and the businesses of the Group, and it confirms with the Board of Directors concerning the objective and rationality of holding such shares.

2. Criteria for exercise of voting rights

The Company exercises voting rights based on judgments from such perspectives as contributions to the businesses of the Group through the investees' sustainable growth and such.

3. Disclosure of details of examination of whether or not the holding is appropriate and specific criteria for exercise of voting rights

The Company comprehensively judges whether or not the holding is appropriate, by individual issues based on the above policy. At its meeting of the Board of Directors held in June 2020, the Company confirmed the rationality of holding its shares held as of March 31, 2020, upon having examined individual holdings with respect to factors such as operating results, returns associated with the holdings, synergetic effects, and risk, from the perspectives of medium- to long-term economic rationale and relationships between the client or supplier and the businesses of the Group.

Moreover, for preparation and disclosure of the criteria for exercise of voting rights, the Company also considers that the above criteria are adequate.

The proportion of listed stocks held by the Company to assets is insignificant.

[Disclosure based on the principles of the Corporate Governance Code] [Updated]

Principle 1.7

To ensure that transactions with related parties do not harm the interests of the Company and the common interests of shareholders and to prevent any concerns with regard to such harm, the Company complies with the procedures prescribed in the Companies Act of Japan with regard to the competitive transactions and conflicting interest transactions (self-dealing and indirect transactions) between the Company and its Directors.

With regard to the transactions between the Company and its major shareholders, the Company has established the criteria for matters to be referred to the Board of Directors, and transactions falling under such category will require approval by the Board of Directors.

The Company will ensure a description of how the relevant approved transaction was conducted is reported to the Board of Directors, and that the content of this report is checked by the Board of Directors, thereby ensuring appropriate handling of the relevant transaction so that the interests of the Company and the common interests of shareholders may not be harmed.

Principle 2.6

The Company has not introduced a corporate pension fund plan, etc. or corresponding plan.

Principle 3.1

1. The Company discloses and releases the Corporate Philosophy, Safety Charter and the Medium-Term Management Plan on its website, etc.

   Corporate Philosophy, Safety Charter and Medium-Term Management Plan

   URL: http://www.westjr.co.jp/global/en/about-us/

2. Basic policy for Corporate Governance is as per “I.1. Basic views” above.
3. Remuneration for Directors and Audit & Supervisory Board Members is as described in the accompanying “Disclosure of policy for determining remuneration amounts or calculation methods thereof.”
4. As for the policy for nomination of Directors and Audit & Supervisory Board Members, the Company nominates those officers based on the selection criteria concerning high ethical standards, respect from others, dignity and managerial capability in accordance with the following procedures.

   In the formulation of the policy for nomination and actual cases of nomination based on that policy, the Company ensures objectivity, fairness and trustworthiness of nomination by making the relevant matters subject to deliberation by the Personnel and Remuneration Advisory Committee prior to the resolution of the Board of Directors.

(1) The Company appoints and dismisses Representative Directors based on laws, regulations and the Regulations of the Board of Directors, and the President and Representative Director proposes candidates for Representative Directors from among Directors, with such matters resolved by the Board of Directors.

(2) The President and Representative Director proposes candidates for Directors to be recommended to the General Meeting of Shareholders based on the selection criteria established by the Board of Directors, and the nomination of candidates is approved by resolution of the Board of Directors.

(3) The President and Representative Director proposes candidates for Audit & Supervisory Board Members to be recommended to the General Meeting of Shareholders upon consent by the Audit & Supervisory Board, and the nomination of candidates is approved by resolution of the Board of Directors.

The Audit & Supervisory Board gives such consent in accordance with the criteria for consent to the selection of Audit & Supervisory Board Members established by the Audit & Supervisory Board.

5. For explanation in line with the appointment and dismissal of Directors and Audit & Supervisory Board Members, such matters as brief history, position and status of important concurrent office as well as reasons for the appointment and dismissal of each candidate are described in the "Reference Document for the General Meeting of Shareholders."

Supplementary principle 4.1.1

The Company has established the criteria for the matters to be decided by the Board of Directors for the purpose of clarifying the scope of judgment and decision made by the Board of Directors for timely and appropriate decision-making by the Board of Directors, and propositions are referred to the Board of Directors in accordance with the criteria and the Board of Directors makes decisions through discussion.

From the perspective of appropriate risk-taking, the decision for referral of propositions to the Board of Directors may, where necessary, take into account not only on the quantitative criteria but also qualitative risk and importance, and the Board of Directors makes decisions through discussion.

Matters to be decided by the Board of Directors

Matters prescribed by laws and regulations and the Articles of Incorporation, and other important matters related to the management are referred to the Board of Directors.

Among these, main matters with fixed numerical criteria such as amount of money are specified below.

- Large amount of loans
- Disposal and acceptance of transfer of important property
- Debt relief to investees, etc.

Main matters prescribed in the Articles of Incorporation as the matters to be decided by the Board of Directors are specified below.

- Distribution of interim dividends
- Acquisition of treasury stock

Principle 4.9

The Board of Directors of the Company has established the criteria for independence to invite external officers who are able to carry out highly effective monitoring and supervision from an objective standpoint independent from the Company.

1. Person related to the Group

(1) The relevant person is not currently or was not in any of the past ten fiscal years an executive (meaning a person who executes business as an executive director, corporate officer, executive officer or other employee; hereinafter the same) of the Company or its subsidiary (hereinafter referred to as the "Group Company").

(2) A relative within the second degree of kinship of the relevant person is not currently or was not in any of the past ten fiscal years an executive of the Group Company.

2. Person related to major client or supplier

The relevant client's or supplier's transaction amount with the Company does not reach 2% of the consolidated operating revenues (consolidated total assets in the case of loan) of the Company or the relevant client or supplier currently or on average in the past three fiscal years (or if the relevant client or supplier is a corporation, etc., the relevant person is not currently or was not in the past three years an executive thereof).

3. Legal professional, etc.

Remuneration, etc. received by the expert from the Company, other than officers' remuneration, does not exceed the annual amount of ¥10 million currently or on average in the past three fiscal years (if the relevant professional, etc. belongs to a corporation, etc., such remuneration does not reach 2% of the consolidated operating revenues thereof).

4. Other

(1) The relevant person is not a board member or other executive of an organization, etc. whose donations from the Company exceed the annual amount of ¥10 million currently or on average in the past three fiscal years.

(2) The relevant person is not currently or was not in any of the past five fiscal years a major shareholder (whose stockholding ratio is 10% or more of the total number of voting rights) of the Company (if the relevant major shareholder is a corporation, etc., the relevant person is not currently or was not in the past five years an executive thereof).

(3) The relevant person does not currently or did not in any of the past three fiscal years have important interest in the Group Company.

Supplementary principle 4.11.1

1. Size, balance of members and diversity of the Board of Directors

The Board of Directors of the Company develops and improves the environment to ensure that the enhancement of safety toward as a prerequisite for an increase in the corporate value of the Group over the medium- to long-term is promoted and appropriate risk-taking for the sustainable growth of the business is carried out, and fulfills its duties including highly effective monitoring and supervision.

To be more specific, the Board of Directors of the Company conducts evaluation of risks and returns from the medium- to long-term perspective concerning various measures, etc. necessary for the achievement of the Medium-Term Management Plan, which has been prepared for the realization of management vision, and it makes timely and appropriate decisions on these measures. Furthermore, the Board of Directors receives reports on the status of execution of business operations in a timely and appropriate manner. In the course of these processes, each Director and each Audit & Supervisory Board Member fulfills his/her duties appropriately through constructive discussions and exchange of opinions.

Currently, the Board of Directors of the Company comprises fifteen Directors including five External Directors, requires the attendance of five Audit & Supervisory Board Members including three External Audit & Supervisory Board Members, and fulfills appropriate functions as mentioned above. In order to fulfill duties of the Board of Directors continuously, the Board of Directors will maintain appropriate size, composition ratio between Internal and External Directors and others.

2. Policy and procedures for election of Directors

(1) External Directors

The Board of Directors decides on, as the candidates for External Directors, those who may give advice based on broad knowledge including field of expertise in the decision-making processes necessary for the management toward the sustainable growth and the increase in the corporate value of the Company

over the medium- to long-term and who are able to conduct highly effective monitoring and supervision from an independent standpoint, and refers such decisions to the General Meeting of Shareholders.

In the selection of candidates, the Company ensures objectivity, fairness and trustworthiness of selection by making the relevant matters subject to deliberation by the Personnel and Remuneration Advisory Committee prior to the resolution of the Board of Directors.

(2) Internal Directors

The Board of Directors decides on, as the candidates for Internal Directors, those who are appropriate as Directors based on the characteristics of the Company's business, comprehensively taking into account the experience, knowledge and insight based thereon, capacity for objective judgment related to the management, and organizational management ability from the company-wide perspective of each of them, and refers such decisions to the General Meeting of Shareholders.

In the selection of candidates, the Company ensures objectivity, fairness and trustworthiness of selection by making the relevant matters subject to deliberation by the Personnel and Remuneration Advisory Committee prior to the resolution of the Board of Directors.

Supplementary principle 4.11.2

The Company makes it a principle to limit the number of concurrent positions to a reasonable scope.

In addition, the Company makes efforts to ensure that appropriate discussions are held with the attendance of all Directors so that the monitoring and supervising functions at the Board of Directors are fulfilled appropriately.

The status of important concurrent office of Directors and Audit & Supervisory Board Members are described in the business report for each year.

Supplementary principle 4.11.3

The Board of Directors of the Company aims to ensure increase in the corporate value of the Group over the medium- to long-term, and while developing and improving the environment in which the safety on which such aims are premised can be promoted, and appropriate risk-taking for the sustainable growth of business can be carried out, and it fulfills its duties, which include highly effective monitoring and supervision.

To be more specific, the Board of Directors of the Company accumulates discussions regarding the direction, strategy, etc. for medium- to long-term operation for the realization of the Corporate Philosophy and management vision. Based on this, the Board of Directors of the Company conducts evaluation of risks and returns from the medium- to long-term perspective concerning various significant measures, etc., and it makes timely and appropriate decisions on these measures. Furthermore, the Board of Directors receives reports on the status of execution of business operations in a timely and appropriate manner. In the course of these processes, each Director and each Audit & Supervisory Board Member fulfills his/her duties appropriately through constructive discussions and exchange of opinions.

The Company confirmed through the results of the questionnaires, etc. (refer to 4. below) targeted at all Directors and Audit & Supervisory Board Members that sufficient deliberations occur at meetings of the Board of Directors for the reform and renewal of the Group in light of recent dramatic changes in the business environment.

From these considerations, the Company assesses that the Board of Directors functions effectively. Furthermore, in order to maintain and improve such functions, the Company proceeds with the following initiatives.

Content of initiatives

1. Establishment of the system of distributing information

To ensure the strengthening of monitoring and supervision functions of the Board of Directors, the Company has established and maintains the system of distributing information to external officers.

To be more specific, the Company provides External Directors and External Audit & Supervisory Board Members with preliminary explanations regarding points of discussion, previous internal discussions, etc. with regard to propositions for the meetings of the Board of Directors in order to facilitate substantial and effective discussions at meetings of the Board of Directors. Furthermore, the Company provides them with opportunities, other than the meetings of the Board of Directors, to give explanations of important business challenges, etc. and arranges site inspection as a means of distributing information on current business conditions and background information on measures.

In addition, a liaison meeting mainly composed of External Directors is held on a regular basis, where discussions on matters including the medium-term management policy and business challenges are held.

Furthermore, necessary additional explanations for the matters pointed out and questions raised at the meeting of the Board of Directors are given at a meeting of the Board of Directors to be held immediately following the relevant meeting and other occasions.

2. Enhancement of discussions through the establishment of matters for consultation

The Company sets matters for consultation in addition to matters to be resolved and matters to be reported, and has continuous and substantial discussions regarding important matters related to the management from a medium- to long-term viewpoint, keeping future resolutions by the Board of Directors in mind.

3. Sharing of the content of discussions at meetings of the Board of Directors

The content of discussions and matters pointed out at meetings of the Board of Directors are fed back to and shared at the Management Committee, which is also attended by Executive Officers and others, and utilized in the promotion and drafting of measures, etc.

4. Questionnaires, etc. with Directors and Audit & Supervisory Board Members, and initiatives to improve effectiveness and invigorate the Board of Directors based on results of questionnaires

The Company uses questionnaires targeted at all the Directors and Audit & Supervisory Board Members concerning the ideal approach and operation of the Board of Directors and other matters for each fiscal year, has Directors and Audit & Supervisory Board Members have discussions based on the responses, and takes initiatives necessary for further improvement of effectiveness and invigoration of the Board of Directors based on results of deliberations thereof.

Supplementary principle 4.14.2

The Company has set up opportunities for Directors and Audit & Supervisory Board Members to receive training and information and to share challenges with respect to matters on which the Company places emphasis such as those on “Safety,” “Customer Satisfaction” and “Technologies,” and those related to corporate ethics to ensure they can carry out effective monitoring, supervision and audit of such matters, and to further enhance the contribution they can make to increasing the corporate value of the Group over the medium- to long-term.

In addition, as Group engages in wide-ranging business operations, the Company believes that the participation in management by abundantly experienced personnel hailing from within the Group is necessary. Accordingly, the Company makes efforts to develop human resources by such means as providing personnel with opportunities to appropriately gain experience in duties related to the businesses of the Group, thereby securing the personnel capable of undertaking duties in management.

Principle 5.1

1. Basic views

The Company believes it important to engage in constructive dialogue with its shareholders and investors in a way that contributes to increasing the corporate value and the shareholder value over the medium- to long-term.

The Company will continue to make efforts to disclose the content of business, management information and risk information in an active and fair manner, and it will build long-term trusting

relationship with its shareholders and investors by taking an initiative to communication through various occasions.

2. IR promotion system

(1) The Company has appointed the Director in charge of the Corporate Planning Headquarters, which is responsible for IR, as "Director overseeing the all aspects of dialogue."

(2) The Corporate Planning Headquarters is responsible for IR activities involving the Company's institutional investors and for the management of information related to the important corporate information, and the General Affairs Department assumes particular roles with respect to review and implementation of measures directed toward individual investors and dialogue related to the exercise of voting rights.

With respect to the management of information necessary for the disclosure of information, the Company has established and maintains the system in which the departments concerned within the Company including the Corporate Planning Headquarters, the General Affairs Department, the Finance Department, the Corporate Communications Department and the Tokyo Headquarters work closely together.

3. Method of dialogue

With respect to the propositions for the General Meeting of Shareholders, the Company will make efforts toward timely (early) disclosure of information and conduct necessary dialogue. Furthermore, the Company transmits information on its website and by IR tools or other means and will continue to make efforts for the development and enhancement of such transmission.

The Company holds financial results briefings and small meetings organized by top management for our institutional investors, and it has individual interviews with them as well.

The Company responds to various types of inquiries and conducts facilities tours, etc. from time to time for our individual investors.

4. Internal feedback

The Company reports opinions obtained from its shareholders and investors to the Management Committee and the Board of Directors from time to time.

5. Management of insider information

The Company has established the "Regulations for Prevention of Insider Trading" prescribing the system related to the management of important corporate information, and it has also established and published the "Disclosure Policy" prescribing the policy for timely and appropriate information disclosure in an effort to prevent insider trading.

Disclosure Policy

URL: https://www.westjr.co.jp/global/en/ir/disclosure-policy/

2. Capital structure

Foreign shareholding ratio	From 20% to less than 30%

[Status of major shareholders]

Name	Number of shares owned (Shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Unit)	13,646,300	7.13
Japan Trustee Services Bank, Ltd. (Trust Unit)	8,655,400	4.52
Sumitomo Mitsui Banking Corporation	6,400,000	3.34

Name	Number of shares owned (Shares)	Shareholding ratio (%)
MUFG Bank, Ltd.	6,300,000	3.29
Japan Trustee Services Bank, Ltd. (Trust Unit 7)	4,122,100	2.15
Nippon Life Insurance Company	4,000,000	2.09
STATE STREET BANK WEST CLIENT – TREATY 505234	3,805,540	1.99
Japan Trustee Services Bank, Ltd. (Trust Unit 5)	3,627,800	1.90
JR-West Employee Stock-Sharing Plan	3,312,100	1.73
Sumitomo Mitsui Trust Bank, Limited	3,200,100	1.67

Controlling shareholder (except for parent company)	–
Parent company	None

Supplementary explanation

1. The shareholders listed under "Status of major shareholders" are based on the shareholder register as of March 31, 2020.
2. The large shareholding report (change report) submitted by Marathon Asset Management LLP to the Director-General of the Kanto Finance Bureau as of October 18, 2017 states that the said company held 7,821,600 shares as of October 13, 2017 (ratio of the shareholdings to the total number of issued shares as of the same date: 4.04%). However, since the Company cannot confirm the number of shares actually held by the said company as of the record date for exercising voting rights, this company is not included in "Status of major shareholders" above.
3. The large shareholding report (change report) submitted by BlackRock Japan Co., Ltd. to the Director-General of the Kanto Finance Bureau as of December 6, 2018 states that the said company and seven joint holders held 11,478,532 shares as of November 30, 2018 (ratio of the shareholdings to the total number of issued shares as of the same date: 5.96%). However, since the Company cannot confirm the number of shares actually held by them as of the record date for exercising voting rights, they are not included in "Status of major shareholders" above.
4. The large shareholding report (change report) submitted by Sumitomo Mitsui Trust Bank, Limited to the Director-General of the Kanto Finance Bureau as of December 21, 2018 states that the said company and two joint holders held 12,345,419 shares as of December 14, 2018 (ratio of the shareholdings to the total number of issued shares as of the same date: 6.41%). However, since the Company cannot confirm the number of shares actually held by them as of the record date for exercising voting rights, they are not included in "Status of major shareholders" above.

3. Corporate attributes

Listed stock market and market section	Tokyo Stock Exchange / First section
Fiscal year-end	March
Type of business	Land transportation
Number of employees (consolidated) as of the end of the previous fiscal year	1,000 or more
Operating revenues (consolidated) for the previous fiscal year	¥1 trillion or more
Number of consolidated subsidiaries as of the end of the previous fiscal year	From 50 to less than 100

4. Policy on measures to protect minority shareholders in conducting transactions with controlling shareholder

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5. Special circumstances which may have material impact on corporate governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management

1. Organizational composition and operation

Organization form	Company with Audit & Supervisory Board Members

[Directors]

Maximum number of Directors stipulated in Articles of Incorporation	40
Term of office stipulated in Articles of Incorporation	1 year
Chairman of the Board of Directors	Company Chairman (excluding the case where the person concurrently serves as President)
Number of Directors	15
Appointment of External Directors	Appointed
Number of External Directors	5
Number of Independent Officers designated from among External Directors	5

External Directors' relationships with the Company (1)

Name	Attribute	Relationships with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Norihiko Saito	From another company											
Hideo Miyahara	Academic											
Hikaru Takagi	Academic											
Yoshinobu Tsutsui	From another company								○			
Haruko Nozaki	From another company											

* Categories for "Relationships with the Company"
* "○" when the Director presently falls or has recently fallen under the category;
"△" when the Director fell under the category in the past;
* "●" when a close relative of the Director presently falls or has recently fallen under the category; and
"▲" when a close relative of the Director fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a Director
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
h. Executive of a client or supplier of the Company (which does not correspond to any of d, e, or f) (the Director himself/herself only)
i. Executive of a corporation, between which and the Company External Directors/Audit & Supervisory Board Members are mutually appointed (the Director himself/herself only)
j. Executive of a corporation that receives a donation from the Company (the Director himself/herself only)
k. Others

External Directors' relationships with the Company (2)

Name	Designation as Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Norihiko Saito	○	Special Counsel, Kinden Corporation	Mr. Norihiko Saito has served the Kansai Electric Power Company, Incorporated as Managing Director and Vice President and Representative Director, and since June 2011, he has served Kinden Corporation successively as Chairman and Representative Director and Senior Adviser, among others. Based on his professional knowledge and accumulated expertise as a management executive, he has provided useful advice to the Company on management, including organizational management and safety, and the Company believes that he is qualified as an External Director. Moreover, based on the fact that he has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, he is designated as an Independent Officer.
Hideo Miyahara	○	Visiting Professor, Graduate School of Information Science and Technology, Osaka University	Mr. Hideo Miyahara has served Osaka University successively as Professor, School of Engineering Science; Dean, Graduate School of Engineering Science; Dean, School of Engineering Science; and President. Based on his accumulated expertise in information engineering, he has provided useful advice to the Company on management, including safety and technology in general, and the Company believes that he is qualified as an External Director. Moreover, based on the fact that he has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, he is designated as an Independent Officer.

Name	Designation as Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Hikaru Takagi	○	Honorary Professor, Kyoto University	Mr. Hikaru Takagi has been engaged in research and education at The University of Tokyo, Kobe University, Gakushuin University and Kyoto University. Based on his professional knowledge and accumulated expertise as a jurist, he has provided useful advice to the Company on management and the Company believes that he is qualified as an External Director. Moreover, based on the fact that he has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, he is designated as an Independent Officer.
Yoshinobu Tsutsui	○	Chairman and Representative Director, Nippon Life Insurance Company The Company has entered into transactions with this company in the form of long-term debt and insurance policies for which employees are policy holders. However, such transactions are allowed under the Company's Criteria for Independence of External Officers. Additionally, this company holds shares in the Company, but its shareholding ratio is within that allowed under the Company's Criteria for Independence of External Officers.	Mr. Yoshinobu Tsutsui has served Nippon Life Insurance Company as Representative Director and Senior Managing Executive Officer, President and Representative Director and Chairman of the Board and Representative Director. As an External Audit & Supervisory Board Member of the Company since June 2015, he has contributed to further strengthening governance through audits and other activities. The Company believes that he will provide advice to the Company on management based on his professional knowledge and accumulated expertise as a management executive and that he is qualified as an External Director. Moreover, based on the fact that he has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, he is designated as an Independent Officer.

Name	Designation as Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Haruko Nozaki	○	Junior Corporate Officer of HORIBA, Ltd.	Ms. Haruko Nozaki has many years of experience in personnel affairs and education at HORIBA, Ltd., as well as abundant experience and knowledge about various issues, including the success of women in the workplace, the promotion of diversity and the development of the next generation. The Company believes that she will provide useful advice to the Company on management and that she is qualified as an External Director. Moreover, based on the fact that she has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Director and ordinary shareholders, she is designated as an Independent Officer.

Voluntary establishment of committee(s) equivalent to Nominating Committee or Remuneration Committee	Established

Committees established voluntarily, their composition, and attributes of chairman

	Committee's name	All committee members	Full-time members	Inside Directors	External Directors	External experts	Others	Chairman
Committee equivalent to Nominating Committee	Personnel and Remuneration Advisory Committee	5	0	2	3	0	0	External Director
Committee equivalent to Remuneration Committee	Personnel and Remuneration Advisory Committee	5	0	2	3	0	0	External Director

Supplementary explanation

With the aim of enhancing the objectivity, fairness and trustworthiness of officers' personnel and remuneration, the Company has established the Personnel and Remuneration Advisory Committee. This Committee comprises at least five Directors, the majority of whom being Independent External Directors. The Personnel and Remuneration Advisory Committee deliberates on officers' personnel and remuneration from the perspective of objectivity and fairness and makes recommendations to the Board of Directors based on these deliberations.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established

Maximum number of Audit & Supervisory Board Members stipulated in Articles of Incorporation	6
Number of Audit & Supervisory Board Members	5

Cooperation among Audit & Supervisory Board Members, Accounting Auditor and internal audit departments

The Audit & Supervisory Board Members and the Accounting Auditor engages in ongoing exchange of information regarding each other's respective audit plans, methodology, and results, as well as maintaining close mutual cooperation to facilitate efficient and effective auditing. Furthermore, the Audit & Supervisory Board Members and the Inquiry & Auditing Department, which is the internal audit department, conduct regular exchanges of opinion on each other's respective audit plans, methodology, and results, as well as other measures to maintain close mutual cooperation. At the same time, they strive to ensure efficient and effective auditing as well as the accuracy and reliability of financial reporting.

Appointment of External Audit & Supervisory Board Members	Appointed
Number of External Audit & Supervisory Board Members	3
Number of Independent Officers designated from among External Audit & Supervisory Board Members	3

External Audit & Supervisory Board Members' relationships with the Company (1)

Name	Attribute	Relationships with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Maki Ogura	Other	△												
Yasumi Katsuki	Certified public accountant													
Emiko Hazama	Academic													

* Categories for "Relationships with the Company"
* "○" when the Audit & Supervisory Board Member presently falls or has recently fallen under the category;
"△" when the Audit & Supervisory Board Member fell under the category in the past
* "●" when a close relative of the Audit & Supervisory Board Member presently falls or has recently fallen under the category;
"▲" when a close relative of the Audit & Supervisory Board Member fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or accounting adviser of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. Audit & supervisory board member of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as an Audit & Supervisory Board Member
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
j. Executive of a client or supplier of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board Member himself/herself only)
k. Executive of a company, between which and the Company External Directors/Audit & Supervisory Board Members are mutually appointed (the Audit & Supervisory Board Member himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)
m. Others

External Audit & Supervisory Board Members' relationships with the Company (2)

Name	Designation as Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Maki Ogura	○	Mr. Maki Ogura was an executive (employee) of the Company in the past. However, many years have passed since he ceased to be an executive (he retired from such office in February 1988) and the Company has judged that his independence as an External Audit & Supervisory Board Member has fully been secured.	Mr. Maki Ogura has had a long career as a judge. Based on his accumulated experience and expertise as an attorney at law and in administration of legal affairs, he will contribute to further strengthening governance through audits and other activities. For the purpose of sustainable development of the entire JR West Japan Group, the Company believes that he is qualified as an Audit & Supervisory Board Member of the Company. Moreover, based on the fact that he has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Audit & Supervisory Board Member and ordinary shareholders, he is designated as an Independent Officer.
Yasumi Katsuki	○	Certified Public Accountant, Katsuki Office	Mr. Yasumi Katsuki has long been acting as a certified public accountant and has served as a representative partner and a senior executive partner of auditing firms, among others. Based on his accumulated experience and expertise, he has contributed to further strengthening governance through audits and other activities. For the purpose of sustainable development of the entire JR West Japan Group, the Company believes that he is qualified as an Audit & Supervisory Board Member of the Company. Moreover, based on the fact that he has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Audit & Supervisory Board Member and ordinary shareholders, he is designated as an Independent Officer.

Name	Designation as Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Emiko Hazama	○	Professor, Department of Public Affairs, Osaka University of Commerce	Ms. Emiko Hazama has conducted research on local revitalization and cultures for many years. Based on her experience and expertise in government, she will contribute to audits and other activities of the Company aimed at local revitalization and strengthening governance. For the purpose of sustainable development of the entire JR West Japan Group, the Company believes that she is qualified as an Audit & Supervisory Board Member of the Company. Moreover, based on the fact that she has satisfied the requirements for Independent Officers stipulated by securities exchanges and the Company's Criteria for Independence of External Officers, and that there is no risk of a conflict of interest arising between the External Audit & Supervisory Board Member and ordinary shareholders, she is designated as an Independent Officer.

[Independent Officers]

Number of Independent Officers	8

Matters relating to Independent Officers

–

[Incentives]

Implementation of measures to provide incentives to Directors	Other

Supplementary explanation

The amount of individual Director's remuneration is adjusted based on their responsibilities and performance, and so forth, in the previous fiscal year.

Recipients of stock options	

Supplementary explanation

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[Director remuneration]

Disclosure of individual Directors' remuneration	No individual disclosure

Supplementary explanation **[Updated]**

- Details of officers' remuneration (Fiscal year ended March 31, 2021)
  11 Directors (excluding External Directors): total ¥389 million (basic remuneration: ¥389 million, performance-evaluation remuneration: ¥0)
  Seven External Directors: total ¥50 million (basic remuneration: ¥50 million)
  Three Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members): total ¥52 million (basic remuneration: ¥52 million)
  Four External Audit & Supervisory Board Members: total ¥35 million (basic remuneration: ¥35 million)
  Total 25 members: total ¥526 million (basic remuneration: ¥526 million, performance-evaluation remuneration: ¥0)
  (Notes) 1. The amounts shown are after the return of remuneration.
  (Taking into consideration the severe business situation caused by the spread of the novel coronavirus disease (COVID-19), 10% to 50% of the monthly remuneration are returned, depending on the position.)
  2. The number of officers who received remuneration includes three Directors (including two External Directors) and two Audit & Supervisory Board Members (including one External Audit & Supervisory Board Member) who retired during fiscal year ended March 31, 2021.

Policy on determining remuneration amounts or calculation methods thereof **[Updated]**	Established

Disclosure of policy for determining remuneration amounts or calculation methods thereof

1. Matters relating to performance-evaluation remuneration

In order to increase awareness toward the improvement of company performance for each business year, the Company shall provide performance-evaluation remuneration at amounts that do not exceed 30% of the "basic remuneration," in line with the extent to which objectives have been achieved in terms of the respective targets set forth at the outset of the previous fiscal year. Accordingly, the Company sets performance targets for a single fiscal year with respect to ensuring railway safety, consolidated revenues, consolidated profits, and asset efficiency. Despite this being largely premised on the notion of the Company achieving safe and consistent railway operations, its core business, the Company has selected ensuring railway safety and the KPIs set in the "JR-West Group Medium-Term Management Plan 2022" as performance indicators in consideration of the importance of systems underpinning appropriate risk-taking by management from the perspectives of achieving long-term sustainable growth and improving the corporate value as a corporate group.

With regard to the achievement status of performance-evaluation remuneration indicators for fiscal year ended March 31, 2021 (actual results in fiscal year ended March 31, 2020) the targets for ensuring railway safety were achieved as no train accidents that resulted in casualties among our customers or railway labor accidents that resulted in fatalities among our employees occurred, which were set as the final goals in the "JR-West Group Railway Safety Think-and-Act Plan 2022." However, none of the KPI targets were achieved due to the spread of COVID-19.

2. Matters relating to resolutions of the General Meeting of Shareholders regarding remuneration for Directors and Audit & Supervisory Board Members

The amount of monetary remuneration of Directors of the Company was resolved to be not more than ¥77 million per month at the 8th Ordinary General Meeting of Shareholders held on June 27, 1995. At the conclusion of that Ordinary General Meeting of Shareholders, the number of Directors was 33. Furthermore, the amount of monetary remuneration of Audit & Supervisory Board Members of the Company was resolved to be not more than ¥12.5 million per month at the 33rd Ordinary General Meeting of Shareholders held on June 23, 2020. At the conclusion of that Ordinary General Meeting of Shareholders, the number of Audit & Supervisory Board Members was five.

3. Policy on determining the amount of Directors' individual remuneration

(1) Method for determining the policy on determining the amount of Directors' individual remuneration

In order to establish a remuneration system that sufficiently functions as an incentive for the sustainable increase of corporate value, and is based on the "JR-West Group Medium-Term Management Plan 2022," the policy on determining the amount of Directors' individual remuneration (hereinafter, the "Determination Policy") was deliberated by the Personnel and Remuneration Advisory Committee, and after giving serious consideration to the details of their recommendations, the Determination Policy was resolved at the meeting of the Board of Directors held on February 24, 2021.

(2) Overview of the Determination Policy

- Remuneration for Directors of the Company (excluding External Directors) consists of the "basic remuneration" as fixed remuneration and the "performance-evaluation remuneration," which is determined by such factors as evaluation of business operating results of each fiscal year with regard to achievement of medium- to long-term objectives.
- Regarding the amount of basic remuneration, the Company prepares a table of remuneration organized according to management responsibilities after taking into account the levels at other companies investigated by specialist external organizations to ensure an appropriate level of remuneration.
- The Company provides performance-evaluation remuneration at amounts that do not exceed 30% of the "basic remuneration," in line with the extent to which objectives have been achieved in terms of the respective targets set forth at the outset of the previous fiscal year.

(3) Reasons the Board of Directors has judged the amount of Directors' individual remuneration for the fiscal year under review as being in line with the Determination Policy

In determining the amount of Directors' individual remuneration, the Personnel and Remuneration Advisory Committee on which External Directors have the majority, has multilateral discussions, which include consistency with the Determination Policy, and makes recommendations to the Board of Directors based on these discussions. In light of the amount of Directors' individual remuneration being decided after giving serious consideration to these recommendations, the Board of Directors has judged that the amount of Directors' individual remuneration is in line with the Determination Policy.

4. Matters relating to entrustment of decision-making for the amount of Directors' individual remuneration

The decision-making authority to determine of the amount of Directors' individual remuneration is entrusted to the President and Representative Director Kazuaki Hasegawa by resolution of the Board of Directors based on the Determination Policy in 3. above. The entrustment of this decision-making authority is based on the belief that the person who holds office as President and Representative Director is the most appropriate person in the final determination of each Directors' evaluation as the Company has a system where the highest responsibility for the execution of business operations has been integrated into the office of the President. Specific decisions for the amount of Directors' individual remuneration are made after having the matters deliberated whereby the Company holds meetings of the Personnel Committee comprising multiple Representative Directors, the Director in charge of personnel, and others, while respecting recommendations made by the Personnel and Remuneration Advisory Committee on which External Directors have the majority. By making the decisions after going through these deliberations, the fairness and credibility of remuneration decisions are ensured.

[Supporting system for External Directors and/or External Audit & Supervisory Board Members]

The Company arranges the Board of Directors meeting schedule at an early date and provides preliminary explanations of propositions and so forth. In addition, since June 2006 a dedicated staff member has been appointed as a secretarial manager to communicate and coordinate with External Directors and the Company is working to reinforce the system of distributing information to the External Directors through such measures as briefing the External Directors on the status of execution of business operations. As a supporting system for Audit & Supervisory Board Members, including External Audit & Supervisory Board Members, the Company has established an Audit & Supervisory Board Office under the direct control of the Audit & Supervisory Board Members and appointed its employees to engage exclusively in assisting the Audit & Supervisory Board Members.

[Status of persons who have retired from a position such as Representative Director and President]

Retired Representative Director and Presidents, etc., Senior Adviser or any other position in the Company

Name	Title/ Position	Responsibilities	Working Form and Conditions (Full-time/ Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
Takeshi Kakiuchi	Associate	Dealing with those affected by the train accident on the Fukuchiyama Line	Part-time, Paid	February 1, 2006	Renewed annually
Masao Yamazaki	Associate	Dealing with those affected by the train accident on the Fukuchiyama Line	Part-time, Paid	August 31, 2009	Renewed annually

Total number of retired Representative Director and Presidents, etc., Senior Adviser or any other position in the Company	2

Other matters

1. The date stated in "Date of Retirement from Position Such as President" is the date the person retired as Representative Director and President of the Company.
2. When a person is newly appointed as Senior Adviser, the appointment is resolved at the Board of Directors meeting as stipulated in the Articles of Incorporation.
3. The aforementioned persons of Senior Adviser, etc. are not involved in the decision making by the Company's senior management.

2. Matters on functions of business execution, audit and supervision, nomination and remuneration decisions (overview of current corporate governance system)

The Company has adopted the structure of a Company with Audit & Supervisory Board Members as its corporate governance system, pursuant to the Companies Act of Japan. By subjecting the execution of duties by Directors to appropriate auditing by each of the five Audit & Supervisory Board Members (four males and one female), including three External Audit & Supervisory Board Members, the Company ensures the transparency and fairness of its management.

The External Directors have a clearly defined and specialized role focusing on monitoring and supervision. The Company has five External Directors, comprising four males and one female Directors. In addition to participating in decision making related to the execution of important management issues as full members of the Board of Directors, the External Directors work to further strengthen monitoring and supervisory functions through offering advice and monitoring the actions of management based on their accumulated experience and expertise. In addition, the Company has adopted the executive officer system with the aim of further enhancing managerial efficiency.

To establish corporate ethics, the Company has instituted Officers' Code of Conduct and Officers' Code of Ethics, makes its officers comply with these codes and exercise the initiative in materializing the "Corporate Philosophy" and generates a sense of common values that will constitute the bases of honest and fair business behaviors.

Furthermore, the Company has established a "Risk Management Committee" with the President acting as chairman, which shall select material risks that may have critical impacts on the management of the

Company and deliberate on and evaluate policies to respond to such risks and other issues, and files necessary reports to the Board of Directors.

With regard to such policies of the "Risk Management Committee," the "Corporate Ethics Committee" with the Director in charge of the Corporate Ethics and Risk Management Department acting as chairman shall deliberate on and evaluate important matters concerning the establishment of corporate ethics by seeking broad knowledge from experts.

The Company also accepts consultations as to questionable acts from the perspective of laws and regulations or corporate ethics through contacts with the "Ethics Office" of the Company and outside attorneys and improves its internal reporting system.

In addition, the Directors and Executive Officers submit "Letters of Confirmation of Execution of Duties," which state that they have committed no misdeed or material violation of laws and regulations or other rules in connection with the execution of their duties, at the close of each fiscal year.

In principle, the Board of Directors meets once a month. In addition to receiving timely and appropriate reports on such matters as the status of the execution of business operations and corporate ethics, the Board of Directors deliberates on important management matters and carries out expeditious decision making. The Board also undertakes mutual monitoring of the execution of duties.

To strengthen the Board of Directors' monitoring and supervisory functions, 5 of the 15 Directors the Company appoints (14 males and 1 female Directors) are External Directors, whose specialized role focuses on monitoring and supervision. The Company is also working to reinforce the system of distributing information to the External Directors through such measures as increasing the opportunities for briefing the External Directors on the status of execution of business operations.

Moreover, the highest responsibility for the execution of business operations has been integrated into the office of the President and the Company has established the Management Committee, comprised of members including Representative Directors and Executive Officers serving at the head office, to deliberate on matters fundamental to the execution of business. In principle, the Management Committee convenes weekly. In addition, by delegating authority to the Executive Officers, the Company aims to expedite decision making and business execution.

In accordance with the auditing policies and audit plan prepared by the Audit & Supervisory Board, Audit & Supervisory Board Members attend meetings of the Board of Directors, receive reports from the Directors and employees, etc. regarding the status of the execution of their duties, and the structure and operation of the system to secure the properness of business activities (internal control system), audit the execution of business by Directors such as by requesting explanation when required, and provide necessary advice and recommendations. The Full-time Audit & Supervisory Board Members attend important meetings such as Management Committee, conduct various audits through auditing visits of branches and worksites and holding individual hearings with Directors on matters, and request business reports from the group companies and investigate the status of business and assets as necessary.

In addition, the Full-time Audit & Supervisory Board Members cooperate with the Accounting Auditor and the internal audit department through regularly exchanging information and other means, and the results of those activities are shared with the External Audit & Supervisory Board Members in a timely fashion at the meetings of the Audit & Supervisory Board.

A session for the Audit & Supervisory Board Members to exchange opinions with the President and Representative Director is attended both the Full-time Audit & Supervisory Board Members and External Audit & Supervisory Board Members, and each member provide opinions from their respective standpoints.

With regard to the particulars of internal reporting filed with the contacts responsible for internal reporting by any party within the entire Group, Full-time Audit & Supervisory Board Members receive reports regularly and investigate the status of its operation.

The Audit & Supervisory Board meets regularly. At meetings the Audit & Supervisory Board Members hear reports on significant matters pertaining to audits, and where necessary deliberate and make decisions on those matters, which include the formulation of auditing policies and audit plans, the preparation of audit reports, the reappointment of the Accounting Auditor, providing consent to the Accounting Auditor's remuneration, etc., confirmation of the legality of matters to be submitted to the General Meeting of Shareholders, confirmation of the status of execution of duties of Directors on a quarterly settlement basis

and reports on the results of auditing visits. In the fiscal year ended March 31, 2020, the Audit & Supervisory Board met 15 times.

Also, the Company has established the Audit & Supervisory Board Office under the direct control of the Audit & Supervisory Board Members and appointed its employees to engage exclusively in assisting the Audit & Supervisory Board Members. The employees belonging to the Audit & Supervisory Board Office execute their duties under the orders and instructions of the Audit & Supervisory Board Members. Audit & Supervisory Board Member Yasumi Katsuki, who is qualified as a certified public accountant, has considerable knowledge of finance and accounting.

With regard to internal audits, the Inquiry & Auditing Department, which is the internal audit department, comprises 24 staff. Through this structure, the Inquiry & Auditing Department conducts audits covering the Company's overall business operations, from an essential perspective, as to whether the process of business activities function effectively, including evaluation of internal controls relating to financial reporting.

Furthermore, the Audit & Supervisory Board Members and the Inquiry & Auditing Department, which is the internal audit department, conduct regular exchanges of opinion on each other's respective audit plans, methodology, and results, as well as other measures to maintain close mutual cooperation. At the same time, they strive to ensure effective and efficient auditing as well as the accuracy and reliability of financial reporting.

To ensure safety, taking seriously that on April 25, 2005, it caused a very grave accident to occur between Tsukaguchi and Amagasaki on the Fukuchiyama Line in which 106 precious lives were claimed and more than 500 passengers were injured, and with a resolve never to permit the occurrence of such any accident, the Company works to build a safe railway that gives peace of mind and earns trust in accordance with its "Corporate Philosophy" and "Safety Charter."

In accordance with the "JR-West Group Railway Safety Think-and-Act Plan 2022" formulated in February 2018, the Company has been working to prevent serious accidents and labor accidents, on the basis of "fostering the spread of safety-first awareness," by enhancing the "railway systems that maintain safety" through the "enhancement of organizational safety management" and the "implementation of safety think-and-act by each individual" and realizing "safety management with the participation of all employees."

The Company shall build a stronger safety management system based on its "Railway Safety Management Manual" instituted in accordance with the Railway Business Act of Japan and strive to apply Plan-Do-Check-Act (PDCA) cycles to improve the system on an ongoing basis.

To prevent the accident from recurring, the President plays a leading role. At a Safety Management meeting, which meets once a week in principle, information regarding accidents, and so forth, is shared and overall direction on countermeasures is deliberated to instruct the necessary matters immediately. At the same time, the discussions of this committee are reflected in proposals for accident prevention measures at the Safety Promotion meeting, (which is held once a month in principle) and the status of implementation is tracked. Furthermore, to further enforce the promotion of PDCA for safety management, the Company works on initiatives which include establishing a "Safety Management Strategy Office" in the Transport Safety Department as an organization specialized in railway safety management from an overarching perspective, and include enhancing planning functions for leadership and supervision within the Railway Operations Headquarters. Meanwhile, the Company established the Safety Research Institute in June 2006, which is dedicated to research on safety such as human factors, and in June 2009 the Company took steps to steadily promote the improvement of technical capabilities that underpin safety by introducing a system where skilled technical human resources are positioned as "Technical Directors."

With regard to furthering of reform, the Company will foster a corporate culture of "keeping safe," "being trusted," and "think-and-act on one's own initiative" based on the proposals from the "Reform Promotion Committee" formed from external experts.

With regard to risk management, the "Crisis Measures Committee" with the Director in charge of the Corporate Ethics and Risk Management Department acting as chairman shall deliberate on and evaluate important matters relating to the establishment of a rapid initial response system in the event of a wide-scale disaster or any other serious crisis, by seeking broad knowledge from experts.

With regard to accounting audits, the Company has entered into an audit agreement with Ernst & Young ShinNihon LLC, which carries out appropriate audits that are conducted by an audit team comprising three partners and an auditing support staff consisting of 58 members: 23 other CPAs and 35 other support staff.

These audits are conducted in accordance with auditing standards generally accepted in Japan. In addition, the audits conducted by the Audit & Supervisory Board Members, the Inquiry & Auditing Department, and the auditing firm involve close mutual cooperation and the ongoing exchange of information regarding each other's respective audit plans, methodology, and results, to facilitate effective and efficient auditing.

The certified public accountants that have conducted audit operations are as follows:

- Name of certified public accountants that have conducted audit operations

  Kaname Matsumoto, Yoshihiro Shibata, Masahiko Naka

The President and Representative Director proposes candidates for Directors to be recommended to the General Meeting of Shareholders based on the selection criteria established by the Board of Directors, and the nomination of candidates is approved by resolution of the Board of Directors.

Remuneration for Directors and Audit & Supervisory Board Members and others are as described in "Disclosure of policy for determining remuneration amounts or calculation methods thereof."

3. Reasons for adoption of current corporate governance system

From the perspective of enhancing the soundness, transparency, and efficiency of management, based on the current Audit & Supervisory Board Member System as outlined above in 2., the Company considers it appropriate to put in place a system for management decision making and operational execution as well as audit and supervision.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to vitalize the General Meeting of Shareholders and smooth exercise of voting rights

	Supplementary explanations
Early notification of General Meeting of Shareholders	Notification is generally sent by three weeks before the date of the General Meeting of Shareholders.
Scheduling Ordinary General Meeting of Shareholders avoiding the peak day	The meeting is held several days before the peak day.
Allowing electronic or magnetic exercise of voting rights	Since the General Meeting of Shareholders held in June 2004, the Company has introduced exercise of voting rights using the Internet.
Participation in electronic voting platform and other efforts to enhance the voting environment for institutional investors	Since the General Meeting of Shareholders held in June 2008, exercise of voting rights using a "platform for electronic exercise of voting rights for institutional investors" operated by ICJ Inc. has been available.
Providing convocation notice (fully or partially) in English	English translations of convocation notices are prepared and posted on the Company's website. They are also submitted to securities exchanges and provided for public inspection.

2. IR activities

	Supplementary explanations	Explanation by the representative in person
Preparation and publication of disclosure policy	The Company prepared the disclosure policy and it is posted on the Company's website.	
Regular investor briefings for analysts and institutional investors	The Company holds briefings following the half-year and full-year financial results, and a briefing on the announcement of the Group's medium-term management plans.	Yes
Regular investor briefings for overseas investors	The Company makes visits to overseas institutional investors in Europe, North America, Asia and other regions around three times a year.	Yes
Posting of IR materials on website	Financial material and so forth is posted on the Company's website.	
Establishment of department and/or manager in charge of IR	A group in charge of IR has been established within the Corporate Planning Headquarters.	

3. Measures to ensure due respect for stakeholders

	Supplementary explanations
Provisions to ensure due respect for stakeholders in internal rules, etc.	The Corporate Philosophy sets out the Company's intention to meet stakeholders' expectations.
Implementation of environmental activities, CSR activities, etc.	The Company considers realizing the vision set out in the Corporate Philosophy as being nothing less than carrying out its corporate social responsibility. To this end, all employees of the Company are making a united effort to realize it. The Company also publishes the "West Japan Railway Group Integrated Report," which provides a whole image of the Company's initiatives. The Company's environmental activities involve striving to further increase the environmental compatibility of the railway system itself, including through energy saving and promotion of recycling.
Other	The Company believes in appointing the most suitable person for the job. This also applies to the promotion of women to executive and management positions. The Board of Directors at the Company comprises 15 Directors, which includes one woman. In June 2015, the Company appointed its first-ever female Executive Officer. As for women in managerial positions, as of April 1, 2020, there are 35 female managers, including five females holding the position equivalent to executive (including Group companies), which represents about 2% of all managers. Moreover, since restrictions on women working late at night were abolished in a revision of the Labor Standards Act of Japan, etc. in 1999, we have prepared the necessary facilities and furthered the expansion of positions in which women can be active. Having continued to actively hire women, the current number of female employees stationed across all workplaces is about 3,800 (approximately 14% of the total workforce). The Company has increased the average years of service among its female workforce, and on that basis from April 2019 onward will accordingly place further focus on creating workplace environments where women are able to continue playing active roles as its next step toward enabling its female employees to continue their careers, under its the General Employers Action Plan pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children. Based on the belief that corporate value is enhanced through a human resource that has diverse backgrounds and values, and that includes both genders, the Company is also actively promoting work-life balance initiatives in terms of both systems to support employees in their professional and personal lives and the creation of workplace environments that make accessing these systems easier. The Company will continue to promote the creation of work environments that make it easy for women to participate actively, and to use these to assist with the development of female employees who can participate in management in the future.

IV. Matters Related to the Internal Control System

1. Basic views on internal control system and progress of system development

Basic views on internal control system and progress of system development are as follows:

1. Systems to secure the execution by the Directors and employees of their duties to comply with laws and regulations and the Articles of Incorporation

The Company has instituted a "Corporate Philosophy" and a "Safety Charter" as the basis of management. To materialize the philosophy and the charter, the Board of Directors of the Company determines medium-term management plans and annual business operation policies for the entire Group (including the Company and its subsidiaries; the same applies hereinafter) to share the directions for the entire Group to follow.

Furthermore, to establish corporate ethics, the Company has instituted its Code of Conduct and Code of Ethics in accordance with the "Corporate Philosophy," made its officers comply with these codes and exercise the initiative in materializing the "Corporate Philosophy" and generate a sense of common values that will constitute the bases of honest and fair business behaviors. Through the following measures, the Company shall endeavor to improve its systems to ensure compliance with laws and regulations and establish corporate ethics in its business operations in general:

(1) Adequate operation of the Board of Directors

- The Company shall make a clear distinction between Directors to engage exclusively in monitoring and supervision and Directors to execute business (concurrently serving as Executive Officers), have two or more External Directors and improve the system of distributing information to the External Directors.
- The Board of Directors of the Company shall meet once every month, in principle, to deliberate on important matters for management and report the development of execution of business and matters concerning corporate ethics on a timely and appropriate manner.
- The Company shall clearly present the risks of measures and the position thereof in a medium-term management plan to ensure the enhancement of efficiencies of the Board of Directors.

Through these measures, the Company shall strengthen the functions of appropriate decision-making of the Board of Directors and its functions of monitoring and supervision of corporate management.

(2) Securement of proper execution of duties

- The Company shall ensure transparency thereof by devising schemes that may allow checking functions, including a system of circulating requests for managerial decision, as well as various committees to be established from time to time.
- The audits of the business of the Company in general shall be implemented by the Inquiry & Auditing Department, which is the department responsible for internal audits.
- For the purpose of the establishment of systems to evaluate and audit internal control over financial reporting, the Company shall maintain and improve internal control over financial reporting through the evaluation of the effectiveness thereof by the department responsible for internal audits to ensure the correctness and credibility of financial reporting.
- The Company shall clarify the criteria for the selection of Directors and Executive Officers to ensure objectivity and transparency.
- The Directors and Executive Officers shall submit "Letters of Confirmation of Execution of Duties," which shall state that they have committed no misdeed or violation of laws and regulations or other rules in connection with the execution of their duties, at the close of each fiscal year.
- Against anti-social forces, the Company shall establish general supervising divisions and sections and manuals to cope with them. The Company shall also work closely with external specialized agencies and deal with them in a resolute attitude, and have no truck with them.

(3) Institution of a deliberative organ for the establishment of corporate ethics and the improvement of the internal reporting system

- The Company has established a "Risk Management Committee" with the President acting as chairman, which shall select material risks that may have critical impacts on the management of the Company and deliberate on and evaluate policies to respond to such risks and other issues, and files necessary reports to the Board of Directors. Furthermore, with regard to such policies of the Risk Management Committee, the "Corporate Ethics Committee" with the Director in charge of the

Corporate Ethics and Risk Management Department acting as chairman shall deliberate on and evaluate important matters concerning the establishment of corporate ethics by seeking broad knowledge from experts.

- The Company shall also accept consultations as to questionable acts from the perspective of laws and regulations or corporate ethics through contacts with the "Ethics Office" of the Company and outside attorneys and improve its internal reporting system.

2. Systems concerning storage and management of information on the execution by the Directors of their duties

- Pursuant to laws and regulations and the document management manuals of the Company, information on the execution by the Directors of their duties shall be prepared, stored and managed properly by the respective sections in charge thereof and shall be made available for inspection by the Directors and Audit & Supervisory Board Members at all times whenever necessary.

3. Regulations concerning management of the risk of loss and other systems

Taking seriously that on April 25, 2005, it caused a very grave accident to occur between Tsukaguchi and Amagasaki on the Fukuchiyama Line in which 106 precious lives were claimed and more than 500 passengers were injured, and with a resolve never to permit the occurrence of such any accident, the Company shall work to build a safe railway that gives peace of mind and earns trust in accordance with its "Corporate Philosophy" and "Safety Charter." Simultaneously, through the following efforts, the Company shall build up a system for appropriate risk management in its business activities in general:

- In accordance with the "JR-West Group Railway Safety Think-and-Act Plan 2022" formulated in February 2018, the Company shall, on the basis of "fostering the spread of safety-first awareness," enhance the "railway systems that maintain safety" through the "enhancement of organizational safety management" and the "implementation of safety think-and-act by each individual" and realize "safety management with the participation of all employees." In these ways, the Company will strive to prevent serious accidents and labor accidents.
- The Company shall build a stronger safety management system based on its "Railway Safety Management Manual" instituted in accordance with the Railway Business Act of Japan and strive to apply Plan-Do-Check-Act (PDCA) cycles to improve the system on an ongoing basis.

Additionally, the "Crisis Measures Committee" with the Director in charge of the Corporate Ethics and Risk Management Department acting as chairman shall deliberate on and evaluate important matters relating to the establishment of a rapid initial response system in the event of a wide-scale disaster or any other serious crisis, by seeking broad knowledge from experts.

4. Systems to secure efficient execution by the Directors of their duties

- The Directors in charge of their respective sections shall, based on the medium-term management plan and annual business operation policy determined by the Board of Directors at the beginning of each fiscal year, execute their duties properly with regard to the measures of the respective sections by formulating the policies of such sections or otherwise in accordance with the authority and decision-making rules under the Company's regulations of its organization and execution of business.
- The Company shall convene a session of the Management Committee consisting of the Representative Directors and the Executive Officers serving at the head office of the Company once every week in principle, to deliberate on fundamental matters for execution of business, and introduce a system of executive officers to delegate authorities to the Executive Officers, whereby ensuring stronger functions of the Board of Directors to monitor and supervise and its speedier decision-making.

5. Systems to secure the properness of business activities of the corporate group

The Company shall institute group-wide medium-term management plans to share the directions for the entire Group to follow. To fulfill its responsibility as a member of society, the Company shall enhance awareness about compliance and establish corporate ethics, and develop the following systems to secure the properness of business activities of the corporate group:

(1) Fundamental system to promote group management

- The Company shall establish a section of its own responsible for promoting group management and with regard to important managerial matters of the group companies, including business plans, establish a system to allow them to consult with the Company in advance and file ex-post facto reports in accordance with the group company management rules to be prescribed by the Company.
- The Company shall regularly hold various meetings and training sessions for officers and employees of its group companies to share information among the Group.

(2) Confirmation of appropriate execution of duties by directors and other officers of group companies

- The Company shall confirm through the "Letters of Confirmation of Execution of Duties" submitted at the close of each fiscal year that the full-time directors and executive officers of each group company committed no misdeed or violation of laws and regulations or other rules in connection with the execution of their duties.

(3) Assumption of the offices of officers of group companies by officers of the Company

- The Company shall make its officers assume the offices of directors and audit & supervisory board members of its important group companies to ensure legitimate and effective management of the Group.

(4) Establishment of corporate ethics in the entire Group and the formulation of risk management systems

- In accordance with the policies of the "Risk Management Committee," the "Corporate Ethics Committee" shall deliberate on and evaluate the establishment of corporate ethics, and the "Crisis Measures Committee" shall deliberate on and evaluate a response to any serious crisis, by seeking broad knowledge from experts.
- The Company shall establish a section responsible for risk management of the entire Group and each group company shall take measures to establish committees and regulations, whereby formulating a system for the establishment of corporate ethics and appropriate risk management of the entire Group.
- Furthermore, for specific risk management of the entire Group, each section and each branch of the Company and each group company shall take the initiative in detecting serious risks and developing a system to implement countermeasures, whereby allowing the section responsible for risk management of the entire Group to cooperate with the internal audit sections to manage each progress situation and afford support.

(5) Internal reporting system

- With regard to the internal reporting system, the Company shall respond to consultations concerning any group company through contacts established in and outside of the Company. The Company shall also make the system well known among the group companies.

(6) Performance of internal audits, etc. of group companies

- For the purpose of its internal audits, the Company shall, whenever necessary, confirm the execution of business by the group companies.
- With regard to the "evaluation of internal control over financial reporting," the Company shall promote its group-wide efforts as the business on a consolidated basis is subjected to such evaluation.
- The Company shall confirm as necessary the status of each group company's compliance with laws and regulations, Articles of Incorporation and other company rules.

6. Matters concerning the employees to assist the Audit & Supervisory Board Members to execute their duties and their independence from the Directors and the matters concerning the securement of efficiencies of directions to such employees

- The Company shall establish an Audit & Supervisory Board Office under the direct control of the Audit & Supervisory Board Members and appoint its employees to engage exclusively in assisting the Audit & Supervisory Board Members.
- The employees belonging to the Audit & Supervisory Board Office shall, independently of any section, execute their duties under the orders and instructions of the Audit & Supervisory Board Members.

- The Company shall develop a cooperative system to provide information or otherwise for such employees executing their duties.
- In consideration of such employees' assuming a key role of engaging in part of the auditing functions, the Company shall appoint them by taking into full account their experience and knowledge and make their personnel changes and evaluations by giving serious consideration to the opinions of the Audit & Supervisory Board Members.

7. System for reporting by directors and employees of the Company and its subsidiaries or any party receiving reports from such persons to the Audit & Supervisory Board Members and other systems for reporting to the Audit & Supervisory Board Members, and a system to ensure the prevention of unfair treatment because of such reporting

- The Directors, Executive Officers and employees of the Company, as well as the directors, executive officers, audit & supervisory board members and employees of its group companies, shall give to the Audit & Supervisory Board Members or the Audit & Supervisory Board reports promptly upon the occurrence of any grave accident, any act in violation of any laws and regulations or the Articles of Incorporation and any event that may cause material damage to the Company or any group company.
- They shall also give reports on the state of performance of internal audits, the particulars of internal reporting filed with the contacts responsible for internal reporting by any party within the entire Group, the particulars of the measures taken by the Corporate Ethics and Risk Management Department and the results of railway safety audits, the details of business and problems of each section and such other matters as requested by the Audit & Supervisory Board Members or the Audit & Supervisory Board, from time to time or on a regular basis.
- Any person who gives such any report shall be protected properly by instituting internal rules by the Company and each group company.

8. Other systems to ensure effective audits by the Audit & Supervisory Board Members

- The Directors of the Company, etc. shall formulate systems necessary for the Audit & Supervisory Board Members to expediently perform audits, including those to allow the Audit & Supervisory Board Members to attend important meetings, inspect decision documents and other important documents, cooperate with its internal audit section and Accounting Auditor and exchange opinions with the Representative Directors and other officers on a regular basis.
- All expenses incurred by the Audit & Supervisory Board Members in executing their duties, including consultation with attorneys, auditing firms and other third-party professionals as the necessity arises, shall be borne by the Company.
- The sections responsible for the business offices of the Company shall coordinate and cooperate with each other to allow the Audit & Supervisory Board Members to visit the offices to perform effective and efficient audits.
- The Company shall improve and strengthen the system of audits by audit & supervisory board members of the entire Group that can respond to regular meetings, such as liaison conferences of audit & supervisory board members of the Group consisting of the Full-time Audit & Supervisory Board Members of the Company and audit & supervisory board members of its group companies.

2. Basic views on eliminating anti-social forces and progress of related efforts

Basic views on eliminating anti-social forces and progress of related efforts are as follows:

The Group strives to take a resolute stand against anti-social forces and to have no truck with them based on the basic views on internal control system described above and the "Employee Code of Ethics." Specifically, the system is as follows.

1. Establish a general supervising division, and appoint a manager responsible for preventing unreasonable requests.
2. Work closely with external specialized agencies such as the police and lawyers and gather the necessary information at all times.

3. Prepare response manuals and introduce “Anti-Social Force Elimination Clauses” into all contract types.
4. Conduct thorough education and instruction by distributing “Compliance Guidelines” and holding training and so forth.

V. Other

1. Adoption of anti-takeover measures

Adoption of anti-takeover measures	Not adopted

Supplementary explanation

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2. Other matters concerning corporate governance system

The Company complies with laws and regulations such as the Financial Instruments and Exchange Act of Japan and with the Securities Listing Regulations and so forth stipulated by securities exchanges. It also strives to provide timely and appropriate disclosure of information through the following internal systems.

1. Ascertain internal information

With respect to the "important corporate information" set out by the above-mentioned Securities Listing Regulations, the Company has appointed internal sections with responsibility for duties relating to each kind of information and prepared systems to ascertain information securely and to manage it rigorously.

2. Information collection and management

The Senior General Manager or the Deputy Senior General Manager of the Corporate Planning Headquarters has been appointed as the manager responsible for handling of information, and the manager provides overall management of important corporate information for business management. The Company has also established a secretariat within the Corporate Planning Headquarters, tasked with collating and managing corporate information.

3. Report to the manager responsible for handling of information

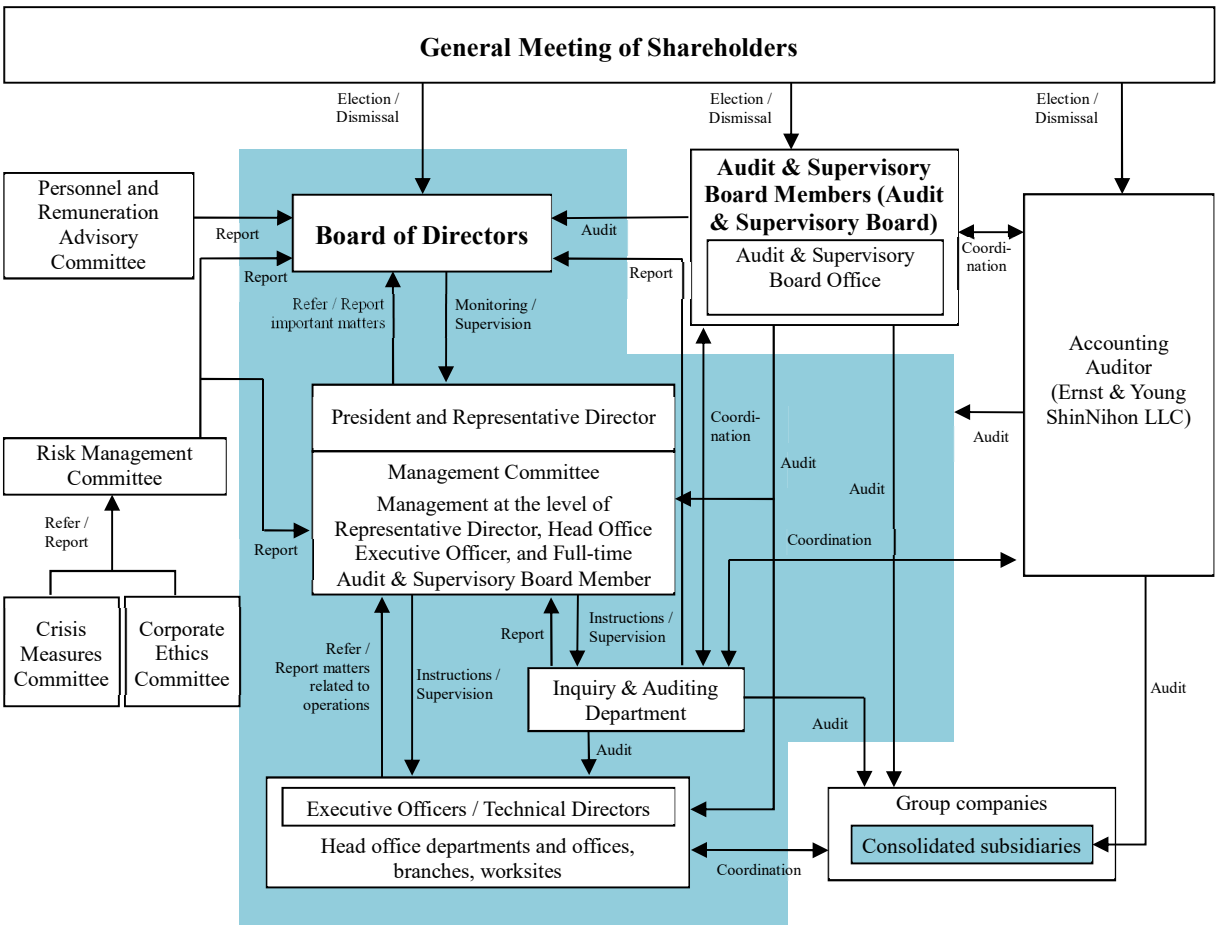
In the event of an incident corresponding to important corporate information, and so forth, the section involved is required to promptly report the information to the manager responsible for handling of information and related officers. In cases where it is not clear whether the event constitutes important corporate information or not, the system requires the section involved to refer to the manager responsible for handling of information on all such occasions.

4. Timely and appropriate disclosure of information

For publication of important corporate information, the Corporate Planning Headquarters plays the central role in coordinating with the General Affairs Department, Corporate Communications Department, Tokyo Headquarters, and other relevant internal sections, and promptly provides the information by TDnet and by distributing materials to press clubs, etc., in an effort to ensure timely and appropriate disclosure of information.

5. Formulation, notification, and penetration of internal rules

Basic matters relating to management and so forth of corporate information are set out in the "Regulations for Prevention of Insider Trading." To ensure timely and appropriate information disclosure, the Company strives to notify these internal rules to corporate officers and employees, and so forth, and to help them penetrate.



(Note) The Company shall establish an Audit & Supervisory Board Office under the direct control of the Audit & Supervisory Board Members and appoint its employees to engage exclusively in assisting the Audit & Supervisory Board Members.

(Note) denotes audit scope of the Accounting Auditor.