Last Updated: July 3, 2025
West Japan Railway Company
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Securities Code: 9021
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-

West Japan Railway Group (the "Group") has been making continuous efforts to contribute to the creation of a safe and prosperous society. With safety as its foundation, providing infrastructure services, with points of contact with many customers, and ties with local communities, the Group believes that it can play a role in contributing to the creation of a future society by addressing social issues and "evolving our ties." The Group will create social and economic value through our business activities in line with "Our Purpose" for this vision.

Based on "Our Purpose," "Corporate Philosophy," and "Safety Charter," the Company will continue to make constant efforts to improve railway safety, fulfill its corporate social responsibility, and strive for sustainable development.

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, 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 as well as facilitating prompt decision-making and flexible execution of operations.

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

Principle 1.4 Cross-Shareholdings

1. Policy for cross-shareholding

To achieve sustainable growth of the business aiming at an increase in the corporate value of 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 2025, the Company confirmed the rationality of holding its shares held as of March 31, 2025, 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.

4. Response to the holding of the Company's shares

In the event that a company, etc. that holds the Company's shares for the purpose of cross-shareholding indicates intention to sell those shares, the Company will not carry out any actions to hinder this sale, such as by implying a reduction of business transactions, etc.

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

Principle 1.7 Related Party Transactions

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.

Supplementary principle 2.4.1 Approach to Ensure Diversity in Middle Management Positions, Etc.

Please refer to "III.3. Measures to ensure due respect for stakeholders" of this report.

Principle 2.6 Roles of Corporate Pension Funds as Asset Owners

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

Principle 3.1 Full Disclosure

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

   Our Purpose, Corporate Philosophy, Safety Charter

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

   Long-Term Vision and Medium-Term Management Plan

   URL: https://www.westjr.co.jp/global/en/ir/medium-term/

2. Basic policy for Corporate Governance is as per "I.1. Basic views" above.

3. Remuneration, etc. for Directors are 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, the Company nominates them 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 (excluding Directors who are Audit and Supervisory Committee Members), with such matters resolved by the Board of Directors.

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

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

5. For explanation in line with the appointment and dismissal of Directors, such matters as brief history, position and status of important concurrent positions 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 3.1.3 Disclosure of Initiatives on Sustainability, Etc.

The Group discloses information about the value that we deliver to society and our efforts to realize it such as initiatives for sustainability including measures to address climate change and issues in terms of respecting human rights, and investment in human capital and intellectual property, in the "West Japan Railway Group Integrated Report," and on the Company's website and elsewhere.

Particularly regarding climate change and nature, the Group formulated the long-term environmental goal "JR West Group Zero Carbon 2050" in April 2021, with the aim of achieving net zero group-wide CO2 emissions (scope 1+2, consolidated) by 2050. Additionally, the Company declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD), and has implemented information disclosure based on these recommendations.

"West Japan Railway Group Integrated Report"

https://www.westjr.co.jp/global/en/ir/library/annual-report/2024/

The Company's website (Initiatives for Sustainability) (in Japanese only)

https://www.westjr.co.jp/company/action/

Information Disclosure based on the TCFD and TNFD recommendations

https://www.westjr.co.jp/global/en/ir/library/annual-report/2024/ (from page 67)

Supplementary principle 4.1.1 Scope of Matters Delegated to the Management by the Board of Directors

To facilitate prompt decision-making and flexible business execution in line with the transition to a company with Audit and Supervisory Committee in June 2022, the Company has carried out significant delegation of decision-making authority from the Board of Directors to executive directors. The specific content has been established in the Regulations of the Board of Directors.

In addition to matters prescribed in laws and regulations and the Articles of Incorporation, the regulations establish the basic policy and strategies related to management of the entire Group and important matters related to group management, etc. as matters to be resolved by the Board of Directors.

The regulations also establish certain criteria for matters for consultation where the medium- to long-term management policy and strategies and important business challenges are discussed, as well as matters to be reported including the status of execution of business operations and corporate ethics, thereby making continuous efforts to further improve discussions on strategies, etc. at the Board of Directors and enhance monitoring and supervision of corporate management.

Principle 4.9 Independence Standards and Qualification for Independent Directors

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 does not receive donations exceeding the annual amount of ¥10 million from the Company currently or on average in the past three fiscal years. Provided, however, if the relevant person that receives donations from the Company is a corporation, etc., that the relevant person is not an executive of the organization, etc. whose donations from the Company exceed 2% of its consolidated operating revenues or total annual revenues.

(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 4.10.1 Committee Related to Nomination and Compensation

Please refer to “Supplementary explanation” under “II.1. [Directors]” of this report.

Supplementary principle 4.11.1 Approach to the Composition of the Board of Directors

1. Size of the Board of Directors, balance of members, and diversity of skills, etc. 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 for the realization of Our Purpose and Long-Term Vision, and 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 fulfills his/her duties appropriately through constructive discussions and exchange of opinions.

Currently, the Board of Directors of the Company comprises fifteen Directors including seven External Directors, 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, and strive to ensure diversity in gender and other aspects.

To realize the five key strategies in the “JR West Group Medium-Term Management Plan 2025”: “Improve safety of railways,” “Revitalize and restructure core businesses (railway business and Group business),” “Further evolve real estate and city development,” “Develop diverse services via digital strategy” and “Create new businesses,” in order for the Board of Directors to make appropriate decisions in a timely manner and to exercise a highly effective monitoring and supervisory function, the skills (knowledge, experience, abilities, etc.) currently considered important for the Board of Directors are defined as (i) corporate management, (ii) governance, (iii) safety and quality, (iv) customer satisfaction and marketing, (v) innovation and global environment, (vi) community/city development and (vii) coexistence with local communities. The Group believes that components of ESG-related skills are included in each of the seven skills, and all the Directors should be equipped with such ESG-related skills in exercising their respective skills. With regard to the above seven skills, the list of skills that each Director currently has and is expected to display in particular is as stated at the end of this report.

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.

For Directors who are Audit and Supervisory Committee Members, candidates are decided upon consent by the Audit and Supervisory Committee.

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 on which Independent External Directors have the majority, with the Independent External Director acting as chairman, 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.

For Directors who are Audit and Supervisory Committee Members, candidates are decided upon consent by the Audit and Supervisory Committee.

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 on which Independent External Directors have the majority, with the Independent External Director acting as chairman, prior to the resolution of the Board of Directors.

Supplementary principle 4.11.2 Status of Important Concurrent Positions at Other Entities Held by Directors

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 positions of Directors is described in the business report for each year.

Supplementary principle 4.11.3 Analysis and Evaluation of Effectiveness of the Board of Directors

The Company conducts an evaluation of the effectiveness of the Board of Directors each year, and brings about continuous improvement to the effectiveness of the Board of Directors through making efforts to improve it through evaluating on a regular basis whether the Board of Directors is fulfilling its expected roles and duties, which, in turn, leads to the continuous growth of the Group and the medium- to long-term improvement of corporate value.

In order to evaluate the effectiveness for the fiscal year ended March 31, 2025, a questionnaire was administered, taking into account the status of initiatives carried out by the Board of Directors in the fiscal year ended March 31, 2025, to address the challenges identified in the evaluation of the Board of Directors for the fiscal year ended March 31, 2024. The Board of Directors held discussions based on the results of the said questionnaire on the challenges for which initiatives should be carried out in the fiscal year ending March 31, 2026.

(1) Priority initiatives for the fiscal year ended March 31, 2025 informed by the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2024

(i) Deepen discussions on value creation and medium- to long-term challenges

(ii) Further devise monitoring approaches for discussions that focus on challenges and processes

(iii) Improve the collective insight of the Board of Directors toward responding to environmental change

(2) Evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2025

・ Questionnaire given to Board of Directors: December 2024 to January 2025

・ Discussion by Board of Directors: January 2025

・ Evaluation results reported to Board of Directors: February 2025

(3) Evaluation results of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2025

Based on the results of the questionnaire, the Board of Directors found that the effectiveness of Board of Directors was maintained and improved in light of improvements in the content and quality of discussions aimed at promoting value creation and growth strategy as well as in the monitoring function

through focused discussions, and the appropriate composition and skill matrix, etc. of the Board of Directors including enhanced insight for responding to environmental change.

On the other hand, wide-ranging challenges to improve effectiveness of the Board of Directors for the future were raised, such as the following: the need to further deepen discussions related to challenges aimed at safety improvement and value creation; the need to enhance accuracy of monitoring including that of major group companies; and the need to make the operation of the Board of Directors more efficient and effective in order to meet the above needs.

(4) Initiatives of the Board of Directors to address the challenges identified for the fiscal year ending March 31, 2026

Based on the above result, we have determined that the Board of Directors of the Company is functioning effectively. However, we will continue to promote the following initiatives towards further improving the effectiveness of the Board of Directors and strengthening corporate governance.

(i) On further improving the content and quality of discussions by the Board of Directors

We will make good use of the matters for consultation as established in the Regulations of the Board of Directors, among others, to further deepen discussions that contribute to the improvement of corporate value, such as those on improvement of safety, which is fundamental to the Group, and value provided to stakeholders in city development.

(ii) On further improving the functions of monitoring and supervision

We will further improve accuracy of monitoring including reports on the status of execution of business operations made by those who are responsible for execution of operations of major group companies.

(iii) On further improving the operation of the Board of Directors

We will devise ways to operate meetings more efficiently and effectively in order to make discussions at the Board of Directors meetings more lively.

(iv) Listed below are the matters that existing initiatives have been addressing. The Company plans to perpetuate such initiatives to improve the effectiveness of the Board of Directors.

a. 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 Directors.

To be more specific, the Company provides External Directors 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.

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.

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

In addition to matters to be resolved and matters to be reported, the Company establishes in the Regulations of the Board of Directors matters for consultation where the medium- to long-term management policy and strategies and important business challenges are discussed, and conducts continuous and substantial discussions from a medium- to long-term viewpoint.

c. 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 Group Management Committee, which is also attended by Executive Officers and others, and utilized in the promotion and drafting of measures, etc.

<Effectiveness Evaluation of the Audit and Supervisory Committee>

Upon conducting discussions on the effectiveness of the Audit and Supervisory Committee, the Company has determined that sufficient collaboration is achieved through sharing challenges with the internal audit department, and other means.

To enhance group governance, we will improve support for audit & supervisory board members of group companies and the team strength of the entire audit & supervisory board members of the Group.

Supplementary principle 4.14.2 Training Policy for Directors

The Company has set up opportunities for Directors 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. This has been done from the standpoint of ensuring the Directors can carry out effective monitoring and supervision, and the Audit and Supervisory Committee can perform audit functions, and further enhancing 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 Policy for Constructive Dialogue with Shareholders

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.

For the status of dialogues with investors and shareholders for the fiscal year ended March 31, 2025, please refer to "FY2025.3, Financial Results Presentation."

- "FY2025.3, Financial Results Presentation" (from page 46)

  URL: https://www.westjr.co.jp/global/en/ir/library/meeting/pdf/presen20250502.pdf

2. IR promotion system

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

(2) The Corporate Strategy Division 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 Corporate Governance Headquarters 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 Strategy Division, the Corporate Governance Headquarters, 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.

For our institutional investors, the Company provides opportunities for dialogue with the management team, including External Directors through events such as IR Day, and has individual interviews with them, in addition to holding financial results briefings and small meetings organized by top management.

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 Group Management Committee and the Board of Directors from time to time.

5. Management of insider information

The Company has established the "Regulations for Timely Disclosure Information Management and 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/

[Measures to Ensure That the Company is Managed with an Awareness of Cost of Capital and Share Price]

| | |
|---|---|
| Content of disclosure **[Updated]** | Disclosure of Initiatives (Update) |
| Availability of English disclosure **[Updated]** | Available |
| Date of disclosure update **[Updated]** | July 3, 2025 |

Explanation of actions **[Updated]**

The Company has stated in the "Updating of JR West Group Medium-Term Management Plan 2025" its objective to achieve consolidated ROE (return on equity), the chosen KPI of capital efficiency, of approximately 10% as of the end of fiscal year ending March 31, 2026, and the net interest-bearing debt to EBITDA ratio, the chosen KPI of financial soundness, of approximately 4 times as of the end of fiscal year ending March 31, 2026 and approximately no more than 4 times as of the end of fiscal year ending March 31, 2028. Moreover, concerning the return of profit to its shareholders, the Company implements stable payment of dividends, targeting a dividend payout ratio of 35% or higher.

Additionally, in light of the characteristics of the railway services business, a core business of the Group, the Company recognizes the importance of maintaining balance when ensuring financial soundness and controlling cost of capital, and at the Board of Directors meetings and other occasions, the Company carries out analysis and discussions taking into account the current changes to the external environment and opinions from the capital market community. Based on these discussions and our goal to restore EPS to pre-COVID-19 levels, the Company plans to acquire ¥100 billion in treasury shares by the fiscal year ending March 31, 2027, starting with the acquisition of approximately ¥50 billion in the fiscal year ended March 31, 2025. Furthermore, the Company will also acquire treasury shares of up to ¥50 billion in the fiscal year ending March 31, 2026.

Regarding the cost of equity, through continued dialogue with shareholders and investors, the Company recognizes that the risk premium for the railway business has increased due to COVID-19 and inflation, rising from the previously calculated approximately 6% range to the 7% range at present. This has negatively impacted our stock price. To create a virtuous cycle of growth and wage increases and to enhance the sustainability of the railway business, we will continue to request the government's review of a fare system that can adapt to inflation. Furthermore, we are advancing structural reforms in the railway business and restructuring our business portfolio by increasing the ratio of the life design field. We are working to improve accountability in these areas to reduce the cost of equity. Furthermore, we are advancing structural reforms in the railway business and restructuring our business portfolio by increasing the ratio of the life design field, and working to improve accountability in these areas to reduce the cost of equity. We recognize that improving the level of disclosure regarding the structure of our business portfolio is a matter of high expectation from the capital market community. In line with this, we have disclosed the ROIC by business segment, along with presenting our approach to promoting business portfolio management. By utilizing ROIC by business segment, we aim to expand the ROIC-WACC spread and regularly review the positioning of each business, taking into account market growth potential, profitability, and the scale of corporate value generated. We will focus on capital allocation accordingly and work on aligning it with our financial strategy. While our policy to control the weighted average cost of capital (WACC) in the 3% range in the mid- to long-term remains unchanged, we will also engage in ongoing dialogue with the capital markets regarding financial soundness and optimal capital structure, considering long-term portfolio changes. These matters will be regularly discussed at board meetings and reviewed as needed.

For further details on management with an awareness of cost of capital and share price, please refer to "JR West Group Integrated Report 2024" and the "FY2025.3, Financial Results Presentation."

- "West Japan Railway Group Integrated Report 2024" (from page 85, Message from CFO)

  URL: https://www.westjr.co.jp/global/en/ir/library/annual-report/2024/

- "FY2025.3, Financial Results Presentation" (from page 46)

  URL: https://www.westjr.co.jp/global/en/ir/library/meeting/pdf/presen20250502.pdf

## 2. Capital structure

| | |
|---|---|
| Foreign shareholding ratio **[Updated]** | 20% or more but less than 30% |

**[Status of major shareholders] [Updated]**

| Name | Number of shares owned (Shares) | Shareholding ratio (%) |
|---|---|---|
| The Master Trust Bank of Japan, Ltd. (Trust Unit) | 71,456,800 | 15.18 |
| Custody Bank of Japan, Ltd. (Trust Unit) | 21,977,700 | 4.67 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 10,564,513 | 2.24 |
| STATE STREET BANK WEST CLIENT – TREATY 505234 | 9,951,480 | 2.21 |
| Sumitomo Mitsui Banking Corporation | 8,960,000 | 1.90 |
| MUFG Bank, Ltd. | 8,820,000 | 1.87 |
| Nippon Life Insurance Company | 8,000,000 | 1.70 |
| JP MORGAN CHASE BANK 385781 | 6,528,130 | 1.39 |
| JR-West Employee Stock-Sharing Plan | 6,170,800 | 1.31 |
| STATE STREET BANK AND TRUST COMPANY 505301 | 4,454,597 | 0.95 |

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

Supplementary explanation **[Updated]**

1. The large shareholding report (change report) submitted by BlackRock Japan Co., Ltd. to the Director-General of the Kanto Finance Bureau as of January 5, 2024 states that the said company and ten joint holders held 17,180,585 shares as of December 29, 2023 (ratio of the shareholdings to the total number of issued shares as of the same date: 7.04%). 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. Furthermore, the Company conducted a 2-for-1 stock split of shares of common stock with an effective date of April 1, 2024, but the number of shares held in the report reflects the number of shares before the stock split.
2. The large shareholding report submitted by Mitsubishi UFJ Financial Group, Inc. to the Director-General of the Kanto Finance Bureau as of July 29, 2024 states that the said company and four joint holders held 28,696,826 shares as of July 22, 2024 (ratio of the shareholdings to the total number of issued shares as of the same date: 5.88%). However, since the Company cannot confirm the number of shares actually held by holders other than MUFG Bank, Ltd. as of the record date for exercising voting rights, they are not included in "Status of major shareholders" above.
3. The large shareholding report (change report) submitted by Sumitomo Mitsui Trust Bank, Limited to the Director-General of the Kanto Finance Bureau as of September 20, 2024 states that the said company and two joint holders held 28,115,700 shares as of September 13, 2024 (ratio of the shareholdings to the total number of issued shares as of the same date: 5.76%). 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 / Prime |
| 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 and Supervisory Committee |

**[Directors]**

| | |
|---|---|
| Maximum number of Directors stipulated in Articles of Incorporation | 20 |
| Term of office stipulated in Articles of Incorporation | 1 year |
| Chairman of the Board of Directors **[Updated]** | Chairman (excluding the case where the person concurrently serves as President) |
| Number of Directors | 15 |
| Appointment of External Directors | Appointed |
| Number of External Directors | 7 |
| Number of Independent Officers designated from among External Directors | 7 |

External Directors' relationships with the Company (1) **[Updated]**

| Name | Attribute | Relationships with the Company* | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k |
| Haruko Nozaki | From another company | | | | | | | | ○ | | ○ | |
| Kenji Iino | From another company | | | | | | | | | | | |
| Yoshiyuki Miyabe | From another company | | | | | | | | △ | | | |
| Yutaka Kanai | From another company | | | | | | | | ○ | | | |
| Maki Ogura | Other | △ | | | | | | | | | | |
| Emiko Hazama | Academic | | | | | | | | | | | |
| Kenryo Goto | Certified public accountant | | | | | | | | | | | |

* 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 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) **[Updated]**

| Name | Audit and Supervisory Committee Members | Designation as Independent Officer | Supplementary explanation of the relationship | Reasons for appointment |
|---|---|---|---|---|
| Haruko Nozaki | | ○ | Executive Officer, Kyoto University<br>Ms. Haruko Nozaki is an Executive Officer at national university corporation Kyoto University and the university corporation is a recipient of donation from the Company and the Company's client. The donation amount to and the transaction amount between the university corporation for the most recent three fiscal years are both less than 1% of the total annual income of the university corporation and consolidated operating revenue of the Company. Therefore, her independence as an External Director has fully been secured. | Ms. Haruko Nozaki has long 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, in addition to extensive experience as Executive Board Member at a public interest corporation and national university corporation Kyoto University, as well as Outside Director of SEKISUI CHEMICAL CO., LTD. The Company believes that she can provide advice on management of the Company from an independent point of view. To date, she has provided such advice to the Company and the Company believes 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. |
| Kenji Iino | | ○ | – | Mr. Kenji Iino had served as Executive Managing Director and Executive Managing Officer, Managing Director and Executive Managing Officer, and Senior Corporate Auditor at Mitsui Fudosan Co., Ltd. and as Senior Corporate Auditor at Mitsui Fudosan Realty Co., Ltd. since June 2020. The Company believes that he can provide advice on the Company's management from an independent standpoint based not only on his insight into the real estate business in general, but also on his expertise and high level of insight as a manager. To date, he has provided such advice to the Company 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 | Audit and Supervisory Committee Members | Designation as Independent Officer | Supplementary explanation of the relationship | Reasons for appointment |
|---|---|---|---|---|
| Yoshiyuki Miyabe | | ○ | Please note that, between the Company and the company in which Mr. Yoshiyuki Miyabe served in the past as an executive, the company made payment for contribution regarding seconded employees, etc. to the Company. However, the amount of the payment per year accounts for less than 1% of the consolidated operating revenues of both the Company and the company. | Mr. Yoshiyuki Miyabe has served as Managing Director, Representative Director and Senior Managing Director, Senior Managing Executive Officer, Director, Executive Vice President, at the current Panasonic Holdings Corporation, and also assumed the position of Representative Director of Kansai Association of Corporate Executives. The Company believes that he can provide advice on the Company's management from an independent standpoint based on his expertise and high level of insight as a manager, as well as his insight into advanced technologies that contribute to improving safety, quality, and productivity. To date, he has provided such advice to the Company 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. |
| Yutaka Kanai | | ○ | Representative Director and Chairman of the Board, Hokuriku Electric Power Company<br><br>Mr. Yutaka Kanai has held the office of Representative Director and Chairman of the Board, Hokuriku Electric Power Company, and the Company has electricity supply transactions, etc. with the said company. However, the transaction amount with the said company for the most recent three fiscal years is less than 1% of their respective consolidated operating revenues. Therefore, the Company has determined that his independence as an External Director is fully ensured in light of "Criteria for Independence of External Officers" of the Company. | Mr. Yutaka Kanai has served as Representative Director and President and Representative Director and Chairman of the Board of Hokuriku Electric Power Company, and also assumed the positions including Chairman of HOKURIKU ECONOMIC FEDERATION. He has not only expert knowledge as a corporate executive but also abundant experience that contributes to improving safety, quality, and productivity. In addition, he also has knowledge of innovation, gained through experience such as serving as Chairman of The Hokuriku Industrial Advancement Center and as a member of the Administrative Council of Japan Advanced Institute of Science and Technology. The Company believes that he is qualified as an External Director since he will be able to provide advice on the management of the Company from an independent point of view. 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 | Audit and Supervisory Committee Members | Designation as Independent Officer | Supplementary explanation of the relationship | Reasons for appointment |
|---|---|---|---|---|
| Maki Ogura | ○ | ○ | Mr. Maki Ogura was an employee of the Company in the past. However, many years have passed since he ceased to be an employee (he retired from such office in February 1988). Therefore, his independence as an External Director has fully been secured. | Mr. Maki Ogura has had a long career as a judge and accumulated experience and expertise as an attorney at law and in administration of legal affairs, among others. Based on this and his experience in working to strengthen governance as an External Audit and Supervisory Board Member of the Company, it is expected that he will provide advice on the Company's management from an independent standpoint. In addition, he will continue to make efforts to strengthen governance through auditing, etc., as he has done in past, and the Company believes that he is qualified to serve as an External Director who is an Audit and Supervisory Committee Member. 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. |
| Emiko Hazama | ○ | ○ | – | Ms. Emiko Hazama has engaged in many years of research on local revitalization and culture and has experience and expertise in administration. Based on this and her experience in working to strengthen governance as an External Audit and Supervisory Board Member of the Company, it is expected that she will provide advice on the Company's management from an independent standpoint. In addition, she will continue to make efforts in auditing the Company, which is engaged in local revitalization and the strengthening of governance, as she has done in past, and the Company believes that she is qualified to serve as an External Director who is an Audit and Supervisory Committee Member. 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. |

| Name | Audit and Supervisory Committee Members | Designation as Independent Officer | Supplementary explanation of the relationship | Reasons for appointment |
|---|---|---|---|---|
| Kenryo Goto | ○ | ○ | – | Mr. Kenryo Goto has been a certified public accountant for many years and has also served as a representative partner and managing director of an auditing corporation, as well as Outside Director (Audit and Supervisory Committee Member) of Towa Pharmaceutical Co., Ltd. It is expected that he will provide advice on the Company's management from an independent standpoint based on his expertise and deep insight in finance and accounting as well as his extensive auditing experience. In addition, he will continue to make efforts to strengthen governance through auditing, etc., as he has done in past, and the Company believes that he is qualified to serve as an External Director who is an Audit and Supervisory Committee Member. 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. |

**[Audit and Supervisory Committee]**

Committee's composition and attributes of chairman

| | All committee members | Full-time members | Inside Directors | External Directors | Chairman |
|---|---|---|---|---|---|
| Audit and Supervisory Committee | 4 | 2 | 1 | 3 | External Director |

| | |
|---|---|
| Appointment of Directors and/or employees to support duties of the Audit and Supervisory Committee | Appointed |

Matters related to the independence of such Directors and/or employees from Executive Directors

The employees belonging to the Board of Directors Office to engage in assisting the Audit and Supervisory Committee shall, independently of any section, execute their duties under the orders and instructions of the Audit and Supervisory Committee.

In consideration of such employees' assuming a key role of engaging in part of the supervising and auditing functions, the Company shall appoint them by taking into full account their experience and knowledge and make their personnel changes and evaluations upon consent by the Audit and Supervisory Committee.

Cooperation among Audit and Supervisory Committee, Accounting Auditor and internal audit departments

Each auditing of Audit and Supervisory Committee, Inquiry & Auditing Department and auditing firms includes ongoing exchange of information regarding each other's respective audit plans, methodology, and results while maintaining close mutual cooperation to facilitate efficient and effective auditing. Furthermore, the Directors who are Audit and Supervisory Committee Members and the Inquiry & Auditing 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.

**[Committees established voluntarily]**

| | |
|---|---|
| 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 **[Updated]**

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. Under the direction of the Independent External Director who acts as a chairman, 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. Specifically, deliberations are conducted on the composition and diversity of the Board of Directors, skills that Directors, etc. are expected to have, policy and criteria for selection and dismissal of Directors, etc., policy and standards for remuneration for Directors, etc., formulation of a succession plan, and other matters. During the fiscal year ended March 31, 2025, the committee met ten times.

For the status of meetings of the Personnel and Remuneration Advisory Committee for the fiscal year ended March 31, 2025 and the attendance of individual members at these meetings, please refer to the "Annual Securities Report for the 38th Fiscal Year."

- "Annual Securities Report for the 38th Fiscal Year" (from page 64)

  URL: https://www.westjr.co.jp/company/ir/library/securities-report/pdf/report38_01.pdf (in Japanese only)

**[Independent Officers]**

| | |
|---|---|
| Number of Independent Officers | 7 |

Matters relating to Independent Officers

–

**[Incentives]**

| | |
|---|---|
| Implementation of measures to provide incentives to Directors | Other |

Supplementary explanation

For "performance-evaluation remuneration" as a short-term incentive, the amount of individual Director's remuneration is adjusted based on their responsibilities and performance, and so forth, in the previous fiscal year. For "share-based remuneration" as an incentive to share value with shareholders over the long term and increase corporate value over the medium to long term, restricted shares are issued.

| | |
|---|---|
| Recipients of stock options | |

Supplementary explanation

–

**[Director remuneration]**

| | |
|---|---|
| Disclosure of individual Directors' remuneration | No individual disclosure |

Supplementary explanation **[Updated]**

- Details of officers' remuneration (Fiscal year ended March 31, 2025)
  16 Directors (excluding Directors who are Audit and Supervisory Committee Members):
  total ¥579 million (basic remuneration: ¥381 million, performance-evaluation remuneration: ¥145 million, share-based remuneration: ¥52 million)
  (including five External Directors: total ¥61 million (basic remuneration: ¥61 million))

  Four Directors who are Audit and Supervisory Committee Members:
  total ¥93 million (basic remuneration: ¥93 million)
  (including three External Directors: total ¥64 million (basic remuneration: ¥64 million))

  (Note) The number of officers who received remuneration includes five Directors (excluding Directors who are Audit and Supervisory Committee Members) who retired during the fiscal year ended March 31, 2025.

| | |
|---|---|
| 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

Performance-evaluation remuneration for the fiscal year ended March 31, 2025, was paid based on policy on determining the amount of Directors' individual remuneration that was resolved to be revised at a meeting of the Board of Directors held on April 28, 2023.

Performance-evaluation remuneration shall be cash remuneration reflecting the performance indicators for each fiscal year, and it shall consist of a Company performance portion and an individual performance portion. The ratio of the Company performance portion to the individual performance portion when all performance indicators reach the target shall be 7:3. However, Representative Director and President, etc. shall apply only the Company performance portion.

Both Company and individual performance portions shall be evaluated quantitatively and qualitatively according to the achievement status of targets for each indicator set at the beginning of the previous fiscal year.

Performance indicators for Company performance portion are financial indicators and non-financial indicators. For financial indicators, the Company will use the three performance indicators of "consolidated profits," "asset efficiency," and "the share of consolidated profits in the life design field," while for non-financial indicators, the Company will use the three items of "railway safety," "global environment," and "work engagement" as performance indicators.

The performance indicators for individual performance portion will be the main KPIs in the division for which each Director is responsible. Depending on the status of achievement and qualitative evaluation of the indicators, the individual performance portion may vary between 0 and 200%.

With Regard to the achievement status of performance-evaluation remuneration indicators for the fiscal year ended March 31, 2025 (actual results in the fiscal year ended March 31, 2024), we have met the targets for all three financial indicators: "consolidated profits," "asset efficiency," and "the share of consolidated profits in the life design field." Among the non-financial indicators, "railway safety" was evaluated negatively due to two fatal railway labor accidents. For "global environment," we largely achieved the target. However, the target for "work engagement" was not met. Performance-evaluation remuneration has been awarded considering the achievement status of these indicators.

2. Matters relating to share-based remuneration

For the purposes of giving an incentive to continuously improve our corporate value and promoting further sharing of value with shareholders, monetary claims are granted to Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors), and restricted shares are issued in return of their paying-in of the monetary claims. Momentary claims are provided at a base amount according to management responsibilities. The transfer-restriction period is during the period to the date of resignation or retirement from the position of the Company's Director or any other positions determined by the Company's Board of Directors.

If any person eligible for share-based remuneration commits an act violating laws and regulations, or otherwise falls under any of certain cases stipulated in the agreement for allocation of restricted shares, the Company shall, by rights, acquire all of his or her allotted shares without contribution after the Board of Directors resolves to do so. (clawback and malus provisions)

3. Matters relating to resolutions of the General Meeting of Shareholders regarding remuneration, etc. for Directors

The amount of remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company was resolved to be not more than ¥690 million of monetary remuneration per year (of which: ¥120 million for External Directors) and not more than ¥75 million of share-based remuneration per year (the total number of shares: 20,000 shares or less per year) at the 35th Ordinary General Meeting of Shareholders held on June 23, 2022. At the conclusion of that Ordinary General Meeting of Shareholders, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) was 13. In addition, the amount of monetary remuneration of Directors who are Audit and Supervisory Committee Members of the Company was resolved to be not more than ¥135 million per year at the 35th Ordinary General Meeting of Shareholders held on June 23, 2022. At the conclusion of that Ordinary General Meeting of Shareholders, the number of Directors who are Audit and Supervisory Committee Members was four.

(Note) The Company conducted a 2-for-1 stock split of shares of common stock on April 1, 2024. Therefore, the amount of share-based remuneration per year for each business year from this date onward shall be no more than ¥75 million (total number of shares: 40,000 shares or fewer per year).

4. 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.

Following the launch of the JR-West Group Medium-Term Management Plan 2025, the Board of Directors resolved to revise this Determination Policy at its meeting held on April 28, 2023, in order to create a remuneration system that appropriately links business performance with the remuneration of individual Directors and increases incentives for Directors to improve business performance, thereby enhancing corporate value over the medium- to long-term, and decided to apply the revision to remuneration from July 2023 onward. Details regarding this Determination Policy as of the end of the fiscal year ended March 31, 2025, are as described in "(2) Overview of the Determination Policy."

(2) Overview of the Determination Policy

- Remuneration of the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors) consists of "basic remuneration," which is fixed remuneration; "performance-evaluation remuneration" as a short-term incentive; and "share-based remuneration" as an incentive to share value with shareholders over the long term and increase corporate value over the medium to long term. Basic remuneration is paid monthly, while performance-evaluation remuneration and share-based remuneration are paid at a fixed time each

year. Remuneration of Directors who are Audit and Supervisory Committee Members and External Directors consists of basic remuneration only.

- 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.
- Performance-evaluation remuneration shall be cash remuneration reflecting the performance indicators for each fiscal year, and it shall consist of a Company performance portion and an individual performance portion. The ratio of the Company performance portion to the individual performance portion when all performance indicators reach the target shall be 7:3. However, Representative Director and President, etc. shall apply only the Company performance portion.

  Both Company and individual performance portions shall be evaluated quantitatively and qualitatively according to the achievement status of targets for each indicator set at the beginning of the previous fiscal year.

  Performance indicators for Company performance portion are financial indicators and non-financial indicators. For financial indicators, the Company will use the three performance indicators of "consolidated profits," "asset efficiency," and "the share of consolidated profits in the life design field," while for non-financial indicators, the Company will use the three items of "railway safety," "global environment," and "work engagement" as performance indicators.

  The performance indicators for individual performance portion will be the main KPIs in the division for which each Director is responsible. Depending on the status of achievement and qualitative evaluation of the indicators, the individual performance portion may vary between 0 and 200%.
- Restricted shares are issued as share-based remuneration. The amount of share-based remuneration shall be set at a base amount according to management responsibilities. If any person eligible for share-based remuneration commits an act violating laws and regulations, or otherwise falls under any of certain cases stipulated in the agreement for allocation of restricted shares, the Company shall, by rights, acquire all of his or her allotted shares without contribution after the Board of Directors resolves to do so. (clawback and malus provisions)
- Remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors) shall be structured so that the ratio of basic remuneration, performance-evaluation remuneration, and share-based remuneration is 6:3:1 when all performance indicators have reached the targets set forth at the outset of the previous fiscal year. (Please also refer to Reference 3 at the end of this report for the types of remuneration and payment criteria)
- The amount of remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by a resolution of the Board of Directors based on the above policy. However, the determination of the details pertaining to basic remuneration and performance-evaluation remuneration shall be left to the President and Representative Director upon resolution of the Board of Directors. In order to ensure the fairness and credibility of deciding remuneration, specific decisions 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. The remuneration for Directors who are Audit and Supervisory Committee Members is determined by deliberation of Directors who are Audit and Supervisory Committee Members, within the total amount resolved at the General Meeting of Shareholders.

(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' (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter) 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.

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

The decision-making authority to determine of the amount of individual remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter) with respect to basic remuneration and performance-evaluation remuneration is entrusted to the President and Representative Director Shoji Kurasaka by resolution of the Board of Directors based on the Determination Policy in 4. 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.

6. Activities of the Board of Directors and the Personnel and Remuneration Advisory Committee during the course of determination of amount of remuneration, etc. for Directors

As an activity in the fiscal year ended March 31, 2025 of the Personnel and Remuneration Advisory Committee during the course of determination of amount of remuneration, etc. for Directors, deliberations were made with all the committee members present in regard to the validity of the remuneration level and the application of performance-evaluation remuneration, and recommendations were made to the Board of Directors.

**[Supporting system for External Directors]**

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 has been 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.

In line with the transition to a company with Audit and Supervisory Committee in June 2022, the Company has established the Board of Directors Office as an organization that supports duties of the Board of Directors and the Audit and Supervisory Committee. Additionally, the Company has appointed its exclusive assistant employees whose independence is ensured from executive directors, and established a system to assist External Directors in an integrated manner, thereby further improving the system.

**[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 |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Seiji Manabe | Senior Adviser | Dealing with those affected by the derailment accident on the Fukuchiyama Line, outside activities for public institutions, etc., and provision of advice upon request of the Company | Full-time, Paid | June 22, 2016 | Renewed annually |
| Tatsuo Kijima | Counselor | Dealing with those affected by the derailment accident on the Fukuchiyama Line, outside activities for public institutions, etc., and provision of advice upon request of the Company | Full-time, Paid | December 1, 2019 | 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 and Counselor, 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. Also, their treatment is deliberated by the Personnel and Remuneration Advisory Committee.

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

In order to strengthen the supervisory function of the Board of Directors and further enhance corporate governance, as well as to facilitate prompt decision-making and flexible business execution, the Company has transitioned to a company with Audit and Supervisory Committee after obtaining the approval at the 35th Ordinary General Meeting of Shareholders held on June 23, 2022. Additionally, a necessary internal control system has been established as described below.

The Board of Directors of the Company meets once every month, in principle (15 meetings were held in the fiscal year ended March 31, 2025), to discuss key management strategies, the direction of the business portfolio, opportunities and risks related to sustainability, and other issues to enhance corporate value over the medium- to long-term, and it receives reports on matters concerning safety and corporate ethics in a timely and appropriate manner.

Moreover, the Board of Directors delegates decision-making authority significantly to executive directors and receives reports on the status of execution of business operations on a timely and appropriate manner in efforts to establish corporate ethics and enhance monitoring and supervisory functions. Additionally, to further enhance and strengthen monitoring and supervisory functions and increase the transparency and fairness of management, the Company appointed, of the 11 (10 male and one female) Directors (excluding Directors who are Audit and Supervisory Committee Members), four External Directors (excluding External Directors who are Audit and Supervisory Committee Members) as the Directors specialized in monitoring and supervision, and appointed four Directors who are Audit and Supervisory Committee Members (two male Directors and two female Directors, of which three are External Directors who are Audit and Supervisory Committee Members) with voting rights at the Board of Directors. For this purpose, the Company is working to reinforce the system of distributing information to the External Directors through such measures as increasing the opportunities for briefing the External Directors in advance.

For the status of meetings of the Board of Directors for the fiscal year ended March 31, 2025 and the attendance of individual Directors at these meetings, please refer to the "Annual Securities Report for the 38th Fiscal Year."

- "Annual Securities Report for the 38th Fiscal Year" (from page 64)

  URL: https://www.westjr.co.jp/company/ir/library/securities-report/pdf/report38_01.pdf (in Japanese only)

In addition, the Group Management Committee, comprised of members including Representative Directors, Executive Directors and Executive Officers, meets once every week, in principle, to deliberate basic matters concerning management of the Group.

Currently, Directors who are Audit and Supervisory Committee Members consist of four staff, including two Directors who are Full-time Audit and Supervisory Committee Members (including one External Director who is an Audit and Supervisory Committee Member) and two External Directors who are Part-time Audit and Supervisory Committee Members. Of them, External Director who is an Audit and Supervisory Committee Member, Mr. Kenryo Goto is qualified as a certified public accountant and has considerable knowledge of finance and accounting.

In accordance with the auditing policies and audit plan prepared by the Audit and Supervisory Committee, Audit and Supervisory Committee Members attend meetings of the Board of Directors, receive reports from the Directors (excluding Directors who are Audit and Supervisory Committee Members) 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 Directors who are Full-time Audit and Supervisory Committee Members attend important meetings such as Group Management Committee, conduct audits through investigating regional organs 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, Directors who are Audit and Supervisory Committee Members cooperate with the Accounting Auditor and the internal audit department through regularly exchanging information and other means.

In addition, Directors who are Part-time Audit and Supervisory Committee Members, together with Directors who are Full-time Audit and Supervisory Committee Members, participate as necessary in investigations, etc. of regional organs, etc. and group companies, attend the exchange of opinions between the Representative Director and President and External Directors (excluding External Directors who are Audit and Supervisory Committee Members), and provide opinions based on expert knowledge and various experiences.

With regard to the particulars of internal reporting filed with the contacts responsible for internal reporting by any party within the entire Group, Directors who are Full-time Audit and Supervisory Committee Members receive reports regularly and investigate the status of its operation. Furthermore, the Audit and Supervisory Committee members operate the 'Audit and Supervisory Committee Hotline,' which is independent of the management team and serves as a point of contact for reporting misconduct and other issues involving our executives.

Regarding the Audit and Supervisory Committee, in the fiscal year ended March 31, 2025, audits were conducted with a focus on the following priority audit items: "dissemination and progress of 'Our Purpose,' 'Long-Term Vision 2032,' and 'JR West Group Medium-Term Management Plan 2025 Update,'" "safety enhancement," "efforts to secure and develop necessary human resources and enhance work engagement and realization of active participation," and "specific systems and operational status for compliance adherence at all levels." The Audit and Supervisory Committee held a total of 15 meetings with all Directors who are Audit and Supervisory Committee Members in attendance. The meetings were held to formulate audit policies and audit plans, reappoint the Accounting Auditor, provide consent to the Accounting Auditor's compensation, etc., prepare audit reports, confirm the appropriateness of proposals to the General Meeting of Shareholders, approve conflict-of-interest transactions, confirm the status of execution of other duties by Directors, receive reports on important audit-related matters, including reports on the results of investigations of local organizations and group companies, and the status of discussions on key audit matters (KAM), and to deliberate and decide on legal authority and other matters as required. In addition, Audit and

Supervisory Committee Communication Meetings were held 15 times with all Directors who are Audit and Supervisory Committee Members in attendance to supplement the Audit and Supervisory Committee and to share information on audit activities and other matters with Audit and Supervisory Committee Members and the internal audit department.

Also, the Company has appointed its employees to engage exclusively in assisting the Directors who are Audit and Supervisory Committee Members. The employees to engage exclusively in assisting the Directors who are Audit and Supervisory Committee Members execute their duties under the orders and instructions of the Audit and Supervisory Committee.

With regard to internal audits, the Inquiry & Auditing Department, which is the internal audit department, comprises 19 staff. Through this structure, the Inquiry & Auditing Department conducts evaluation of internal controls relating to internal audits and financial reporting towards resolution of essential issues, as to whether the process of business activities function effectively, for the Company and the group companies. Those audit plans and audit results are reported to the Representative Director and the Board of Directors.

Furthermore, the Directors who are Audit and Supervisory Committee Members and the Inquiry & Auditing Department shall regularly provide reports and conduct 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 shall strive to ensure effective and efficient auditing as well as the accuracy and reliability of financial reporting.

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 37 members: 12 CPAs and 25 other support staff. These audits are appropriately conducted in accordance with auditing standards generally accepted in Japan. In addition, the audits conducted by the Audit and Supervisory Committee, 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 as necessary.

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

- Name of certified public accountants that have conducted audit operations

  Shin Ichinose, Masahiko Naka, Hiroki Yamamoto

The President and Representative Director proposes candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) to be recommended to the General Meeting of Shareholders based on the selection criteria established by the Board of Directors after deliberation by the Personnel and Remuneration Advisory Committee on which External Directors have the majority, and the nomination of candidates is approved by resolution of the Board of Directors.

The President and Representative Director proposes candidates for Directors who are Audit and Supervisory Committee Members to be recommended to the General Meeting of Shareholders upon consent by the Audit and Supervisory Committee after deliberation by the Personnel and Remuneration Advisory Committee on which External Directors have the majority, and the nomination of candidates is approved by resolution of the Board of Directors.

Remuneration, etc. for Directors are as described in "Disclosure of policy for determining remuneration amounts or calculation methods thereof."

### 3. Reasons for adoption of current corporate governance system

In order to strengthen the supervisory function of the Board of Directors and further enhance corporate governance, as well as to facilitate prompt decision-making and flexible business execution, the Company has transitioned to a company with Audit and Supervisory Committee after obtaining the approval at the 35th Ordinary General Meeting of Shareholders held on June 23, 2022. Additionally, a necessary internal control system has been established as described below.

## 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 quarterly 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 Strategy Division. | |

### 3. Measures to ensure due respect for stakeholders [Updated]

| | 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 discloses information about its initiatives for sustainability in the "West Japan Railway Group Integrated Report," and on the Company's website and elsewhere. Particularly regarding climate change and nature, the Group formulated the long-term environmental goal "JR West Group Zero Carbon 2050" in April 2021, with the aim of achieving net zero group-wide CO2 emissions (scope 1+2, consolidated) by 2050. Additionally, the Company declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD), and has implemented information disclosure based on these recommendations.<br>"West Japan Railway Group Integrated Report"<br>URL: https://www.westjr.co.jp/global/en/ir/library/annual-report/2024/<br>The Company's website (Initiatives for Sustainability) (in Japanese only)<br>URL: https://www.westjr.co.jp/company/action/<br>Information Disclosure based on the TCFD and TNFD recommendations<br>URL: https://www.westjr.co.jp/global/en/ir/library/annual-report/2024/ (from page 67) |
| Other | Approach to ensuring diversity among core personnel, current status, policy for talent development, and internal environment enhancement<br><br>The Group's human resource strategy is to enhance the quality of businesses in existing fields, particularly the mobility services field, while advancing initiatives aimed at expansion in the life design field. In this way, it will transform its human resource portfolio from one that is largely homogenous to one that comprises a diverse range of employees, as it strives to grow into a corporate group that continuously creates value. To realize this portfolio transformation, the Group is advancing various initiatives by setting "Human resources cultivation," "Diversity and inclusion," and "Work engagement" as the three pillars of its human resource strategy.<br>(1) Human resources cultivation<br>Based on our belief that the diverse skills and experiences of employees lead to innovation and the realization of a diverse human resource portfolio equipped with adaptability to change, we aim to maximize individual and organizational strength by expanding opportunities for each employee to autonomously engage in career development, thereby broadening the diversity of skills and experiences.<br>(2) Diversity and inclusion<br>We are working to create an environment and system where diverse human resources can thrive, leveraging the diverse individuality of each employee, such as nationality, age, presence of disabilities, gender, and sexual orientation, to create new value. Among these efforts, we prioritize the promotion of women' active participation as a key issue, advancing initiatives from the perspectives of "growth support," "environmental development," and "career development." |

| | |
|---|---|
| | (3) Work engagement<br>We recognize the necessity of management that supports each employee individually, taking into account their workload and personal career vision, so that every employee can feel a sense of growth through their work under high work engagement. We are further committed to optimizing workloads, supporting career development, and creating an environment where employees feel comfortable consulting with supervisors and others.<br>For more details on initiatives, please refer to the Company's website and the "West Japan Railway Group Integrated Report" at the URLs below.<br>The Company's website (human resource strategy):<br>URL: https://www.westjr.co.jp/company/action/training/ (in Japanese only)<br>West Japan Railway Group Integrated Report:<br>URL: https://www.westjr.co.jp/global/en/ir/library/annual-report/2024/ |

## 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:

The Company positions the internal control system as the foundation for realizing the "JR-West Group Long-Term Vision" based on "Our Purpose," which is the meaning of the Company's existence in society and the vision to which we aspire. The Company will create social and economic value by pursuing safety and security and engaging in other compliance and risk management activities.

In order to realize this objective, the following basic initiatives shall be established and continuously improved.

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

(1) Establish a system to ensure legal compliance and corporate ethics in all of the Group's business activities, toward fostering common values by creating a Code of Conduct and Code of Ethics, including "Corporate Philosophy" and "Safety Charter."

(2) Ensure appropriate operation and oversight of the Board of Directors in accordance with the Regulations of the Board of Directors, and ensure the monitoring and oversight functions by clarifying the responsibilities and authorities related to the execution of duties.

(3) With respect to important events related to laws and regulations or corporate ethics in the JR-West Group, a special committee shall deliberate and evaluate such events, and by establishing an internal and external whistle-blowing system, the Company shall respond appropriately and make the necessary reports to the Board of Directors.

(4) The status of compliance with laws and regulations in the JR-West Group shall be checked from time to time by the relevant divisions in accordance with internal rules, and any significant events shall be reported to the Board of Directors.

(5) The internal audit department, which is the department responsible for internal audits, shall audit the Company's overall operations and those of its group companies from an independent and objective standpoint, and report the results of internal audits to the Board of Directors.

(6) To eliminate any ties with anti-social forces, the Company shall establish a control and supervision department, etc. and develop procedures for dealing with such forces, as well as work closely with external specialized organizations.

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

(1) Information related to the execution of duties by Directors shall be appropriately prepared, stored, managed, and disposed of as documents or electromagnetic records by each responsible department in accordance with laws, regulations, and internal rules, and shall be maintained in a state that allows access to such information as necessary.

(2) Regarding information security, the Company shall formulate policies and measures for the entire JR-West Group and shall establish an information security management system.

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

(1) The Company shall take the Fukuchiyama Line accident very seriously, and in accordance with the "Corporate Philosophy" and "Safety Charter," the Company shall establish "Railway Safety Management Manual" and "JR-West Group Railway Safety Think-and-Act Plan," etc., and establish a safety management system to prevent serious accidents and take prompt and appropriate action when accidents or disasters occur, and shall report necessary safety-related matters, etc., to the Board of Directors in a timely manner.

(2) The Company shall regularly evaluate and identify risks that may have a significant impact on the management of the JR-West Group, establish a committee to centrally manage such risks, promote group-wide measures to prevent such risks, and report the deliberations of the committee to the Board of Directors.

(3) With regard to risks that may have a significant impact on the management of the JR-West Group, the Company shall establish a department responsible for crisis management and internal rules, share information promptly and accurately in the event of a potentially serious incident, establish a task force as necessary, and establish a company-wide system to ensure the safety and security of customers and employees and minimize losses for the Group.

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

(1) As a company with an Audit and Supervisory Committee, decision-making authority for important business operations is largely delegated from the Board of Directors to Executive Officers, and an executive officer system has been introduced to delegate authority to executive officers, etc., to ensure prompt and decisive management decision-making and business execution.

(2) The Board of Directors shall deliberate on important management matters and receive reports on safety, internal control systems, and other matters related to the status of business execution in a timely and appropriate manner.

(3) The Group Management Committee consisting of the Representative Directors, the Executive Directors, the Executive Officers designated by the President, etc., shall meet to deliberate on fundamental matters for execution of business.

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

(1) The Company shall establish a department in charge of group management and establish a system for prior discussion and reporting with the Company on important management matters at group companies, including business plans, personnel and remuneration for directors and audit & supervisory board members, and other matters, as well as after-the-fact reporting.

(2) The Company's officers, etc. shall serve as directors and audit & supervisory board members of important group companies to ensure the legality and effectiveness of group management.

(3) Within the JR-West Group, companies shall be established as management units that integrate group companies operating in the same business category and the divisions of JR-West related to the railway business, and these management organizations shall lead, direct and manage the entire management units.

6. Matters concerning the employees to assist the Audit and Supervisory Committee to execute their duties, the matters concerning the independence of the employees from the Directors (excluding Directors who are Audit and Supervisory Committee Members) and the matters concerning the securement of efficiencies of directions to such employees

(1) The employees of the Board of Directors Office who engage in assisting the Audit and Supervisory Committee shall, independently of any section, execute their duties under the orders and instructions of the Audit and Supervisory Committee.

(2) In consideration that such employees are assuming a key role of engaging in part of the supervising and auditing functions, the Company shall appoint them by taking into full account their experience and knowledge and matters regarding personnel changes and evaluations of such employees require the consent of the Audit and Supervisory Committee.

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 and Supervisory Committee and other systems for reporting to the Audit and Supervisory Committee, and a system to ensure the prevention of unfair treatment because of such reporting

(1) When a Director, Executive Officer, etc. of the Company or the head of any department in the head office recognizes any act in violation of laws, regulations, or the Articles of Incorporation of the Company or the occurrence of any fact that may cause significant damage to the Company or group companies, he or she shall promptly report such act to the Audit and Supervisory Committee.

(2) Internal whistle-blowing reports from within the JR-West Group shall be reported to the full-time Audit and Supervisory Committee Member, who is in charge of handling such reports, at any time or on a regular basis.

(3) A system required to ensure that persons who make the above reports, etc. shall not be treated unfavorably because of such reports shall be established.

8. Other systems to ensure effective audits by the Audit and Supervisory Committee

(1) All expenses incurred by the Audit and Supervisory Committee 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.

(2) Enhance and strengthen the auditing system of the JR-West Group as a whole, through measures such as holding regular liaison meetings between the Audit and Supervisory Committee Members of the Company and the audit & supervisory board members of group companies.

In addition, in order to ensure the effectiveness of the internal control system and to continuously improve it, the Company shall formulate “Internal Control Management Regulations” regarding the system of responsibility and specific measures to be taken in relation to the internal control system.

**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 “JR West Japan Group Code of Conduct.” 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 the “JR West Japan Group Code of Conduct” booklet and holding training and so forth.

## V. Other

### 1. Adoption of anti-takeover measures

| | |
|---|---|
| Adoption of anti-takeover measures | Not adopted |

| Supplementary explanation |
|---|

–

### 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 manager responsible for handling of information shall be appointed, and the manager provides overall management of important corporate information for business management. The Company has also established a secretariat within the Corporate Strategy Division, 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.

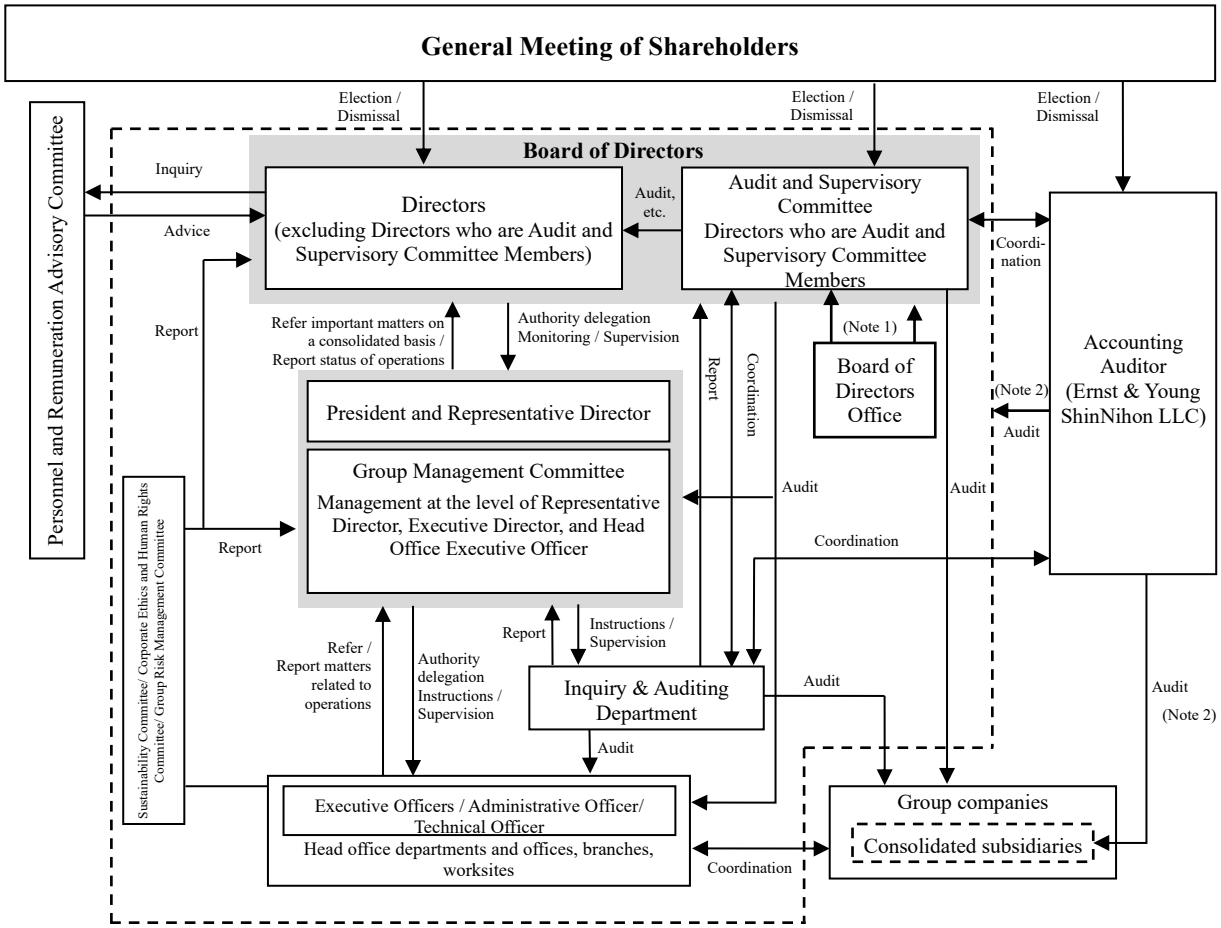
4. Timely and appropriate disclosure of information

For publication of important corporate information, the Corporate Strategy Division plays the central role in coordinating with the Corporate Governance Headquarters, Corporate Communications Department, Tokyo Headquarters, and other relevant internal sections, and promptly provides the information by TDnet, 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 Timely Disclosure Information Management and Prevention of Insider Trading." To ensure timely and appropriate information disclosure, the Company strives to notify these internal rules to officers and employees, and so forth, and to help them penetrate.

[Reference 1] Corporate governance system




Notes 1. The Board of Directors Office has been established as an organization that supports duties of the Board of Directors and the Audit and Supervisory Committee, and exclusive assistant employees whose independence is ensured from executive directors have been appointed.

2. ⬚ denotes audit scope of the Accounting Auditor.

[Reference 2] Knowledge, experience and abilities, etc. possessed by the Directors (Including Directors who are Audit and Supervisory Committee Members) (Skill Matrix)

To realize the five key strategies in the "JR West Group Medium-Term Management Plan 2025": "Improve safety of railways," "Revitalize and restructure core businesses (railway business and Group business)," "Further evolve real estate and city development," "Develop diverse services via digital strategy" and "Create new businesses," in order for the Board of Directors to make appropriate decisions in a timely manner and to exercise a highly effective monitoring and supervisory function, the skills (knowledge, experience, abilities, etc.) currently considered important for the Board of Directors are defined as (i) corporate management, (ii) governance, (iii) safety and quality, (iv) customer satisfaction and marketing, (v) innovation and global environment, (vi) community/city development and (vii) coexistence with local communities. The Company believes that the components of ESG-related skills are included in each of the seven individual skills, and that all board members should be equipped to exhibit each of these skills.

The table below lists the skills that each Director (including Directors who are Audit and Supervisory Committee Members) currently possesses and is expected to demonstrate in particular with regard to the above seven skills.

| Name | Position in the Company | Skills particularly expected to be displayed (major components stated in the lower column) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Corporate management<br><br>Business strategy<br>Organization development<br>Finance strategy | Governance<br><br>Legal affairs/ risk management<br>Diversity<br>Human rights<br>Human resources cultivation | Safety/Quality<br><br>Safety-related technologies/management<br>Quality control | Customer satisfaction/ Marketing<br><br>Creation of customer value<br>Expanding into new businesses areas<br>Brand value | Innovation/ Global environment<br><br>DX/ Advanced technology<br>Productivity improvement<br>Decarbonization<br>Energy savings | Community/City development<br><br>Real estate development<br>Enhancing convenience of railway networks<br>Improving appeal of communities/ cities | Coexistence with local communities<br><br>Tourism/ industrial development<br>Local culture development<br>Sustainable transportation systems |
| Kazuaki Hasegawa | Representative Director (Chairman of the Board) | ● | ● | | | | ● | |
| Haruko Nozaki | Director (Independent, External) | | ● | | | | | ● |
| Kenji Iino | Director (Independent, External) | ● | | | ● | | ● | |
| Yoshiyuki Miyabe | Director (Independent, External) | ● | | ● | | ● | | |
| Yutaka Kanai | Director (Independent, External) | ● | | ● | | ● | | |
| Shoji Kurasaka | Representative Director | ● | ● | ● | | | | |
| Kouichi Haruna | Representative Director | ● | | | | | ● | ● |
| Akira Inoue | Representative Director | ● | | ● | | | | |
| Hideo Okuda | Director | ● | | | ● | ● | | |
| Takeshi Urushihara | Director | | | ● | | | | ● |
| Yasuo Umetani | Director | ● | ● | | ● | | | |

| Name | Position in the Company | Skills particularly expected to be displayed (major components stated in the lower column) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Corporate management<br><br>Business strategy<br>Organization development<br>Finance strategy | Governance<br><br>Legal affairs/ risk management<br>Diversity<br>Human rights<br>Human resources cultivation | Safety/Quality<br><br>Safety-related technologies/management<br>Quality control | Customer satisfaction/ Marketing<br><br>Creation of customer value<br>Expanding into new businesses areas<br>Brand value | Innovation/ Global environment<br><br>DX/ Advanced technology<br>Productivity improvement<br>Decarbonization<br>Energy savings | Community/City development<br><br>Real estate development<br>Enhancing convenience of railway networks<br>Improving appeal of communities/ cities | Coexistence with local communities<br><br>Tourism/ industrial development<br>Local culture development<br>Sustainable transportation systems |
| Maki Ogura | Director who is a full-time Audit and Supervisory Committee Member (Independent, External) Chair of the (Audit and Supervisory Committee) | | ● | | | | | ● |
| Makiko Tada | Director who is a full-time Audit and Supervisory Committee Member | | | ● | ● | | | ● |
| Emiko Hazama | Director who is an Audit and Supervisory Committee Member (Independent, External) | | ● | | | | ● | ● |
| Kenryo Goto | Director who is an Audit and Supervisory Committee Member (Independent, External) | ● | ● | | | | | |

Notes: 1. Of skills possessed by each individual, up to three skills that are particularly expected to be displayed in light of the composition of the Board of Directors have the mark "●."
2. The above table is not an exhaustive list of all the knowledge, experience, ability, etc., the individuals possess.

[Reference 3] Remuneration Categories and Payment Criteria, etc.

<table>
<tr><th>Remuneration Category</th><th colspan="4">Payment Criteria</th><th>Payment Method</th><th>Remune-ration com-position *2</th></tr>
<tr><td>Basic remuneration</td><td colspan="4">Remuneration table based on management responsibilities and paid at an appropriate level</td><td>Paid in cash every month</td><td>60%</td></tr>
<tr><td rowspan="6">Performance-evaluation remuneration *1</td><td rowspan="5">Company performance portion</td><td rowspan="3">Financial indicators</td><td>Consolidated profits</td><td rowspan="5">70%</td><td rowspan="6">Paid in cash at certain times of the year</td><td rowspan="6">30%</td></tr>
<tr><td>Asset efficiency</td></tr>
<tr><td>Share of consolidated profits in the life design field</td></tr>
<tr><td rowspan="3">Non-financial indicators</td><td>Railway safety</td></tr>
<tr><td>Global environment</td></tr>
<tr><td>Work engagement</td></tr>
<tr><td>Individual performance portion</td><td colspan="2">Main KPIs in the divisions for which each Director is responsible</td><td>30%</td></tr>
<tr><td>Share-based remuneration</td><td colspan="4">Provided at a base amount according to management responsibilities</td><td>Payment of monetary claims at a certain time and delivery of restricted shares in exchange for payment of such claims</td><td>10%</td></tr>
</table>

*1 For Representative Director and President, etc., only the company performance portion is applied

*2 When all performance indicators reach KPI targets set at the beginning of the full fiscal year