

Targets toward carbon neutrality and addressing the TCFD Recommendations

Highlight 2

# Targets toward carbon neutrality and addressing the TCFD Recommendations

With global environmental conservation as a key management theme, we have been constantly enhancing the environmental superiority of railways, which are more energy efficient and have less environmental impact than other modes of transportation, by proactively adopting energy-saving rolling stock and equipment.

Additionally, we strive to further reduce CO<sub>2</sub> emissions to achieve carbon neutrality in 2050. On the basis of the Japanese government's 2050 carbon-neutrality policy, JR Central and the JR Central Group aim to achieve net zero CO<sub>2</sub> emissions in 2050 as well as reduce CO<sub>2</sub> emissions in FY2030 by 46% from FY2013 levels.

In addition, we endorsed the TCFD recommendations in May 2021 and are proceeding with the analysis of climate change-related risks and opportunities. We will continue to further deepen the risk analysis to support stable business operations over the long term, while contributing to the realization of a sustainable society.

\* TCFD stands for Task Force on Climate-related Financial Disclosures, established by the Financial Stability Board (FSB) in order to consider issues concerning climate-related disclosures, etc. Its final report establishes the recommendation that companies, etc. understand and disclose information about the risks and opportunities that climate change presents to their business.

## 1. Governance

At JR Central, the Corporate Planning Division and the General Technology Division, which oversee the management and the technology sectors, respectively, play a central role in formulating and promoting environmental measures. The President and Representative Director and related directors

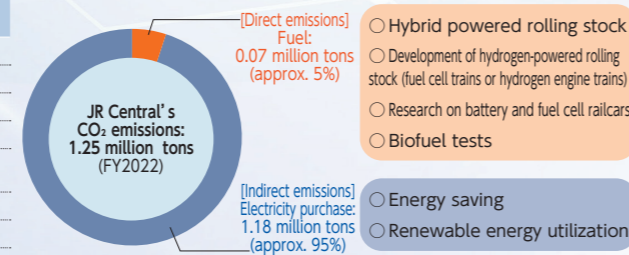
reflect the results of the study on climate change in management, and oversee the efforts to address climate-related issues. In addition, important matters are discussed and reported at the Board of Directors meetings, etc.

## 2 Strategies

The main climate change-related risks and opportunities that we recognize are as follows:

	Risk name	Risk materialization period
Transition risks	-Increased costs from the introduction of carbon pricing (decarbonization tax, etc.)	Medium term
	-Increased costs to respond to stricter regulations on CO <sub>2</sub> and other emissions	Medium term
	-Increased costs to procure energy and materials	Medium term
Physical risks	-Increased damage to railway facilities from more frequent wind and flood damage	Short term
	-Increased suspension of service from more frequent wind and flood damage (decreased transportation revenue)	Short term
	-Adverse impact on material procurement, etc. due to supply chain disruption	Long term
	-Decreased revenue due to customers refraining from traveling under extreme weather conditions	Long term
Opportunities	-Customers who value environmental superiority shifting from other modes of transportation to rail	Long term

\* Definition of risk materialization period: About one year for short term, through 2030 for medium term, and through around 2050 for long term



- Hybrid powered rolling stock
- Development of hydrogen-powered rolling stock (fuel cell trains or hydrogen engine trains)
- Research on battery and fuel cell railcars
- Biofuel tests
- Energy saving
- Renewable energy utilization

### (1) Transition risks

As we are aware of the risk of increasing costs for regulatory responses and CO<sub>2</sub> emissions due to the introduction of carbon pricing, among other factors, we recognize the importance of measures to reduce CO<sub>2</sub> emissions.

Of the 1.25 million tons of CO<sub>2</sub> currently emitted by JR Central (FY2022), approximately 95% is indirectly emitted through our use of electricity, while the remaining 5% is directly emitted through our use of fuels, etc.

To address the 5% direct emissions from the use of fuels, we introduced the Series HC85 with reduced environmental impact as well as promote tests on biofuels. We will also begin simulated driving tests combining vehicle driving test equipment and hydrogen supply facilities to develop hydrogen-powered vehicles. Research and development will be continued for battery railcars. To address the indirect emissions from the use of electricity, which account for

the remaining 95% of the total, we will make further energy-saving efforts, such as introducing additional energy-efficient rolling stock including the N700S and Series 315, and replacing frequency converters for the Tokaido Shinkansen one by one with types with lower power loss, in addition to other decarbonization efforts that are consistent with the decarbonization trend across the entire power generation sector in Japan. We have also achieve substantially zero CO<sub>2</sub> emissions by using, since July 2022, a FIT non-fossil fuel certificate equivalent to the electrical energy used for the train operations of the Taketoyo Line to enable the trains on the line to run substantially 100% on electric power derived from renewable energy. We are also implementing other measures to promote the use of renewable energy, including solar power generation on Shinkansen banking, which is currently under preparation.

\* Refer to pages 65-66 for information on specific measures.

### (2) Physical risks

In the railway business, the largest climate change-related physical risk arises from wind and flood damage. For this reason, we have taken various measures in the past and strive to manage such risks more effectively going forward by analyzing the impact of climate change using the framework of the TCFD.

As part of this effort, we have conducted a quantitative risk analysis

of potential damage to Tokaido Shinkansen equipment as a result of the increasingly frequent occurrence of river floods, and the analysis results were disclosed on our website in April 2022. In addition, we have recently completed the analysis of revenue decreases of the Tokaido Shinkansen due to suspension of service. (Refer to "Analysis of Financial Impact" for specific disclosure content.)

### (3) Opportunities

We see the recent rise in environmental awareness toward decarbonization as an opportunity to further promote the use of train services, a means of transportation that possess high environmental superiority.

Of these risks and opportunities, we expect the impact of wind and flood damage to be most significant for the railway business. Therefore, we have

#### - Analysis of financial impact (risk of damage to facilities) -

Since its founding, JR Central has actively worked to strengthen its facilities against all natural disasters, whether they arise from climate change or not,

JR Central intends not only to increase transportation revenues, but also to contribute to the preservation of the global environment by securing safe and stable transportation and improving transportation services.

analyzed the financial impact on the Tokaido Shinkansen, JR Central's main management resource, as follows:

based on the recognition that the starting point and the biggest mission of railway business is securing safe and reliable transportation.

\* Refer to pages 35-42 for information on specific measures.

On the other hand, according to various studies on climate change, the frequency of floods is forecasted to increase also in the areas in which JR Central operates as average temperature continues to rise. In this case, there is a risk of increase in damage to facilities that support train operations.

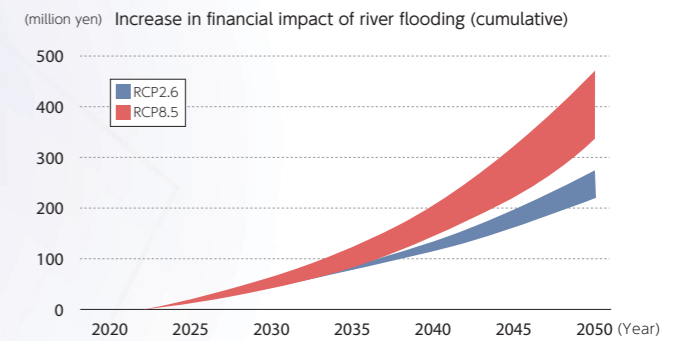
Based on this understanding, we have analyzed the risk of damage to facilities of the Tokaido Shinkansen, which accounts for the largest portion of our transportation revenues, by using hazard maps for design scale rainfall published by the national and local governments\*1 and found that some of the facilities would suffer damage.

Based on this scenario, we have analyzed the potential financial impact by considering the risk of increase in the probability of occurrence of river flooding due to climate change. The result of the analysis indicates that there would be an increase of approximately 10 to 20 million yen under the RCP 2.6\*2(2°C) scenario and an increase of approximately 20 to 30 million yen under the RCP 8.5 (4°C) scenario in financial impact (damage to facilities) for the single year of 2050.

On a cumulative basis through 2050, a financial impact of approximately 220 to 270 million yen and approximately 340 to 490 million yen is expected under the RCP 2.6 (2°C) scenario and the RCP 8.5 (4°C) scenario, respectively.

For the Tokaido Shinkansen, we are implementing measures to ensure that our train operations will not be significantly affected by flooding caused by a design scale rainfall, including relocating, elevating, and/or installing anti-flooding doors at main facilities by May 2024. The analysis above has taken into account these measures. Although there is a possibility that some of the facilities will suffer flooding damage, train operations are not expected to be significantly affected. Therefore, we expect no significant financial loss from decreases in transportation revenues.\*3

Scenario	Increase in financial impact (100 million yen)	
	2050 (single year)	Cumulative through 2050
RCP2.6 (2°C)	0.1~0.2	2.2~2.7
RCP8.5 (4°C)	0.2~0.3	3.4~4.9



\*1 Design scale rainfall is a rainfall whose probability of occurrence is once in several decades to 200 years.  
\*2 RCP stands for Representative Concentration Pathways and RCP scenarios are scenarios on representative concentration pathways published in the fifth assessment report of the IPCC.  
\*3 Refer to "Flooding countermeasures" on page 39 for details.

#### - Analysis of financial impact (risk of revenue decreases due to suspension of service) -

For the Tokaido Shinkansen, we have installed rain gauges at 59 locations along railway lines and elsewhere. When rainfall reaches a certain threshold, train operations are adjusted as appropriate, such as running slowly or suspending service, in order to ensure safety. We have worked to ensure safety at higher levels by, for example, introducing operation adjustment rules based the soil rainfall index, an excellent indicator of the danger of landslide disaster, in 2022. We are also implementing measures to ensure that train operations will not be significantly affected by rainfall, including the implementation of the abovementioned flooding countermeasures for the Tokaido Shinkansen.

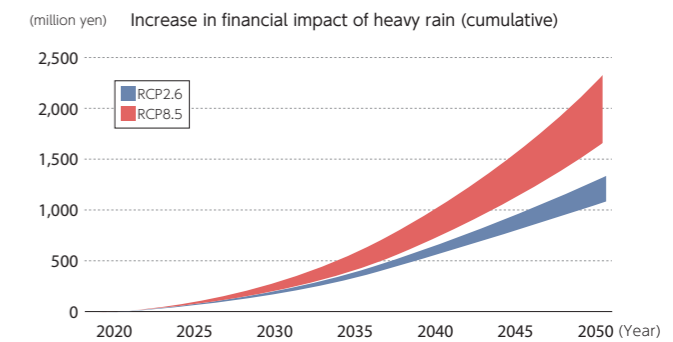
On the other hand, the occurrence frequency of heavy rain may increase in the future due to average temperature rises caused by climate change. In this case, the Tokaido Shinkansen may be subject to increasing probabilities of suspension of service and train delays. In the case of suspension of service, the revenue therefrom would be lost. In the case of train delays for two hours or more past the scheduled arrival time, the limited express fare would be refunded. As such, if rainfall that affects Shinkansen operations increases, our revenues are expected to decrease.

In view of these circumstances, we have calculated the potential financial impact by applying rainfall occurrence frequency forecast scenarios under climate change to the amount of decreases in revenues due to suspension of service and train delays caused by heavy rain, which has been obtained from the train operation data up to the time of analysis. The result of the analysis indicates that there would be a financial impact of approximately 60 to 80 million yen under the RCP 2.6\* (2°C) scenario and a financial impact of approximately 120 to 160 million yen under the RCP 8.5 (4°C) scenario for the single year of 2050.

On a cumulative basis through 2050, a financial impact of approximately 1,070 to 1,320 million yen and approximately 1,660 to 2,340 million yen is expected under the RCP 2.6 (2°C) scenario and the RCP 8.5 (4°C) scenario, respectively.

This impact amount, even as measured by the maximum cumulative amount

Scenario	Increase in financial impact (100 million yen)	
	2050 (single year)	Cumulative through 2050
RCP2.6 (2°C)	0.6~0.8	10.7~13.2
RCP8.5 (4°C)	1.2~1.6	16.6~23.4



of 2,340 million yen under the RCP 8.5 (4°C) scenario, would be equivalent to only 0.3% or less of our Shinkansen transportation revenues for the latest fiscal year that ended March 31, 2023. As the Tokaido Shinkansen accounts for approximately 90% of JR Central's transportation revenues, the financial impact of the scenarios analyzed above, if it should materialize, would be insignificant compared to the Company's overall transportation revenues.

\* This analysis did not consider the impact of typhoons.

## 3. Risk management

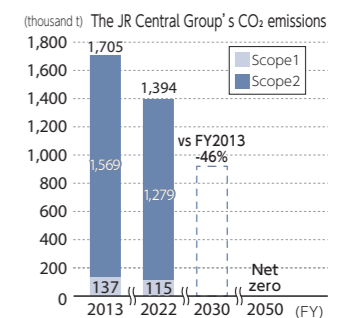
At JR Central, the Corporate Planning Division and the General Technology Division assess and analyze the impact of climate change risks and opportunities on its business in close cooperation with related departments, and formulate and promote countermeasures.

As part of measures to reduce physical risks, we are working on the construction of the Chuo Shinkansen that utilizes the Superconducting Maglev System as a fundamental measure to prepare for large-scale disasters, in addition to the measures that we have been taking since our establishment to strengthen our facilities to cope with natural disasters in general, not just those caused by climate change.

We will continue to deepen our risk analysis on climate change to ensure the long-term and stable operation of the railway business and also to contribute to the realization of a sustainable society.

## 4. Goals and indicators

On the basis of the Japanese government's 2050 carbon-neutrality policy, JR Central and the JR Central Group aim to achieve net zero CO<sub>2</sub> emissions in 2050 as well as reduce CO<sub>2</sub> emissions in FY2030 by 46% from FY2013 levels. With these efforts, we will further elevate the environmental superiority of railways and contribute to the realization of a sustainable society.



Highlight 3

# Initiatives for Human Resources to Support JR Central's Sustainable Growth

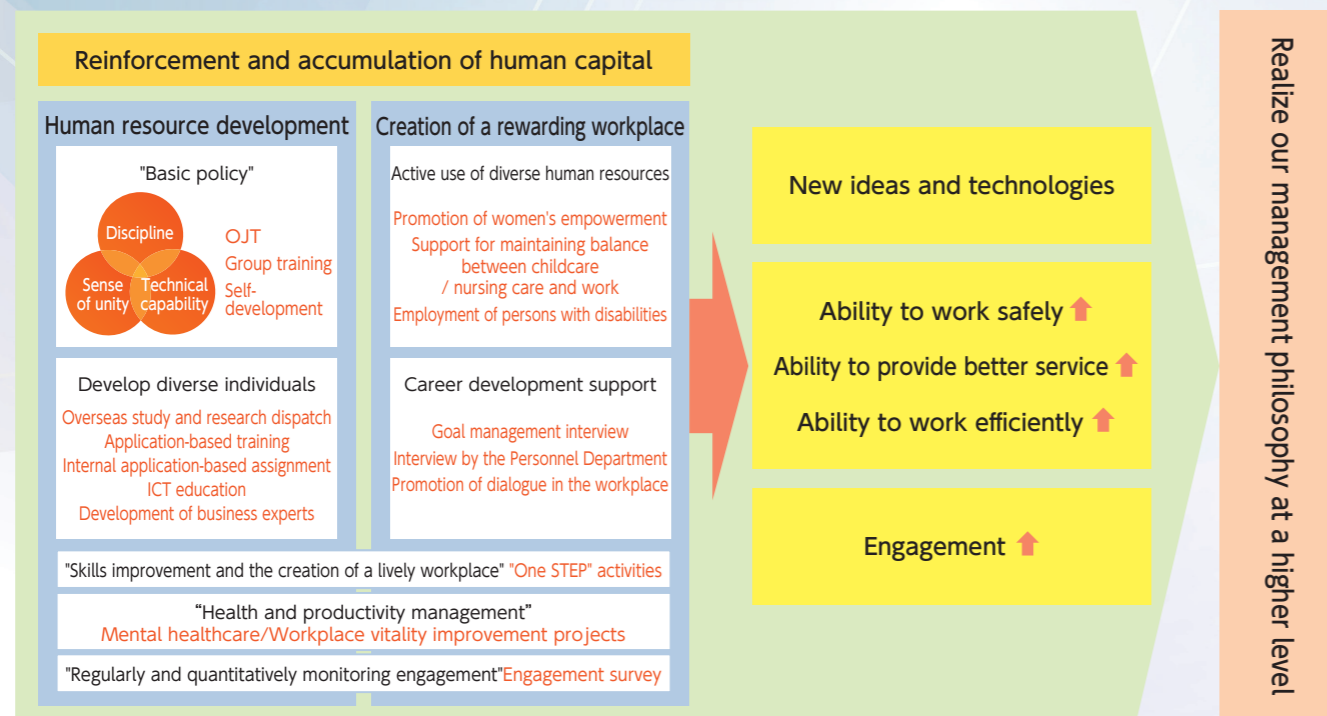
~Human resource development, creation of a rewarding workplace, and health and productivity management~

JR Central views its employees as its greatest management resource. Our management philosophy of "contributing to the development of Japan's main transportation artery and social infrastructure" can be realized at higher levels when the management philosophy and action guidelines are embodied in the work of each employee and then put together as teamwork for thorough implementation. Based on this understanding, the Company strives to improve engagement\* and maximize its corporate value by actively promoting human resource development and the creation of a rewarding workplace.

It is also important for us to maintain and promote the health of employees in order to make these corporate activities sustainable. The Company is actively promoting initiatives to enhance health and productivity management by establishing a "Health Promotion Policy" and an organization to support it, which is headed by the officer in charge of personnel affairs.

\* Meaning the state in which an employee is proud of being a member of the Company and is happy to work for it.

## Human capital management



In order to improve engagement, the Company conducts an annual engagement survey of all employees (excluding those on leave) so that the status of engagement can be monitored regularly and quantitatively. Continuous improvement measures are taken to address the problems identified in each survey, leading to a virtuous cycle of sustained employee engagement, enhanced organizational performance, and boosted productivity.

## 1. Human Resource Development

### General principles

The railway business can function as a safe and sound system as a whole only when each employee is strongly committed to fulfilling his or her role and works diligently on a daily basis with a high technical capability and accurate knowledge, while various technical skills are highly integrated through the coordination of various departments.

For this reason, JR Central has adopted "discipline," "technical capability," and "sense of unity" as its three general principles for human resource development, which are particularly relevant to railway operation, and is working on human resource development based on these principles in order to continue to fulfill its social mission stably and sufficiently over the long term. More specifically, the basic education and training system mainly involves on-the-job training (OJT), in which employees learn the knowledge and skills required for work through daily operations in each

workplace. They also acquire additional knowledge and skills through group training, which is held in the General Education Center, etc., and various self-development opportunities, such as internal and external training programs, etc., that help employees acquire knowledge and skills on their own.

It is also necessary, particularly in administrative departments, to help diverse employees fully demonstrate their ability and to create new value by responding to various changes in both the internal and external environment with new perspectives and flexible ideas.

Based on the premise of long-term employment, both in the railway operation and in the administrative departments, in order to enable employees to attain the necessary abilities and demonstrate their capabilities with enthusiasm, we are working to systematically develop human resources with a broad perspective on personnel management.

### Development of "leaders in railway business" who support the foundation of the Company's business

As many railway operation skills can be developed only through experience, human resources cannot be developed in a short period of time. Therefore, JR Central strives to offer ongoing employee education

that is attentive to details through the combination of on-the-job training (OJT), group training, and self-development.

#### (1) On-the-job training (OJT)

We offer various types of on-the-job training (OJT) including, for example, an "N-OJT" program for employees of younger generations to attain specialized knowledge and technical skills. Under this program, employees skilled in practice take a fine-tuned approach in developing

younger employees by using a list that indicates the requirements needed to be regarded as qualified in the workplace and a record of each individual's development plan, details of guidance, and results of the guidance.

#### (2) Group training

We put effort into offering various training programs, including job-specific training for leaders in railway business who will support the foundation of the Company's business, selective training programs to develop core personnel in the workplace, and stratified training sessions for employees in specific positions. Job-specific training is conducted to improve the knowledge and technical capability of employees by providing them with practical training that is suitable for their job functions and required skill levels. At the General Education Center, we have put in place life-size railcar simulators and test lines with equipment that is equivalent to that of real lines, as well as actively implement initiatives to deepen professional skills and techniques, such as utilizing training materials with VR technology and stereoscopic projection systems. In FY2022, group training at the General Education Center was used by a total of about 10,300 employees for approximately 77,800 person-days, with 31.1 hours of training per employee annually. For employees in managerial positions, we provide training on methods to maximize the performance of the workplace and teams by bringing out the strengths and abilities of each staff member. For mid-level

employees, we also provide those in professional positions, for example, with selective training programs, such as leadership training and forerunner training, to develop future leaders. For new employees, we provide new employee training that runs for about two months after they enter the Company. We recognize this training as an "important opportunity for new

employees to shift their awareness from being a student to being a JR Central employee" and implement a curriculum that instills the discipline and norms required of employees of JR Central and the awareness that safety is the top priority.



General Education Center

#### (3) Self-development

With regard to promoting self-development, we are also enhancing various support systems and actively supporting the development of the skills of motivated employees. JR Central offers internal training programs (about 30 courses) to help employees systematically acquire specialized knowledge and skills that are necessary in their daily work, and about 5,000 employees use this program every year. We also offer a license incentive program that provides employees who obtain any of about 200

types of licenses designated as useful in work with an award equivalent to the course fee and an external distance learning incentive program that provides employees who have completed an external distance learning course, including e-learning, with an award equivalent to 50% of the course fee. In FY2022, a total of about 4,100 people were eligible and supported at a cost of approximately 29 million yen.

### Initiatives to find and develop diverse individuals

In order to continue to realize our management philosophy of "contributing to the development of Japan's main transportation artery and social infrastructure" at a higher level into the future, we need to reinforce both the quality and quantity of our diverse human resources in order to

respond appropriately to changes in the business environment. JR Central is developing human resources with a wide variety of knowledge and experience as our management capital by providing motivated employees with opportunities to gain knowledge and experience.

#### (1) Development of global human resources

With the economic and social environment surrounding companies becoming increasingly globalized and complicated, we have established an Overseas Study Program that is fully funded by the Company, with the aim of fostering human resources who can take charge of its future management and play a role on a global stage. So far, 138 employees have studied abroad at various universities, including Harvard University, Massachusetts Institute of Technology, and the University of Chicago, to learn a broad array of knowledge and build a human network. We have also established an Overseas Research Dispatch Program

to send employees to overseas companies and other organizations to conduct research on advanced technologies, etc., and to utilize the results of the research in our business operations upon their return. So far, 77 employees have been dispatched.

These programs are application-based. We strategically develop human resources who will contribute to the promotion of our business and organizational change in the future by accepting applications from motivated employees of a wide-range of job types.

#### (2) Career development through application-based training and programs

JR Central is working to enhance application-based training and programs to help diverse human resources gain knowledge and experience in accordance with their motivation, aiming to raise employee engagement and further diversify our human resource portfolio. Employees who are expected to play an active role as a senior management member in the future are provided with education opportunities, including career development training to teach them the necessary skills for leading their workplace as a core employee, and opportunities to broaden their perspectives and external human networks, such as participation in cross-industry events and seminars for women and dispatching employees to external programs for working professionals.

and able employees and promoting them to the right positions and, taking this opportunity, stimulating the motivation for self-development and the taking on of challenges of employees.

We also permit double employment (side job) depending on its impact on work and the type of work at the other employer.



Career development training

### (3) Development of ICT human resources

We understand that developing human resources who can actively use new technologies such as ICT and fostering an internal culture to maximize the effective use of these technologies in business operations, are urgently required for us to create new services out of new ideas and promote the reform of business operations. JR Central is strengthening the development of human resources who can create new value using ICT by providing education to teach practical skills, such as data analysis and system development. In addition, we are implementing a curriculum that examines ICT technology trends and its potential for use at JR Central through stratified training sessions, etc., as well as education to raise the ICT literacy of all employees, starting in FY2023, in an effort to foster an internal culture of ICT use.

We also put considerable effort into the use of ICT as an educational tool. For example, we are promoting the use of web conferencing tools and a learning management system (LMS) to enable on-demand viewing of lectures.



Group training that uses VR technology

### (4) Development of business experts

JR Central has a job rotation program to systematically develop human resources on the premise of long-term employment. On the other hand, in the job areas in which employees are expected to produce high-quality output by

sharpening their expertise, such as new business development, we are developing experts by identifying employees with high aptitude and assigning them mainly to positions in the Business Promotion Division and group companies.

## 2. Creation of a Rewarding Workplace

JR Central, as a company that provides highly public and open services, has a mission to continue to provide services to please diverse customers. In order to continue to satisfy diverse customer needs, each of our employees who has a diverse background needs

to be able to demonstrate his or her ability to the fullest. We strive to maximize organizational performance by creating a workplace that is rewarding to each employee and thereby extracting the maximum output from each individual.

### Women's Empowerment Project

We are vigorously promoting women's empowerment as part of the initiative to create a workplace that is rewarding and helps employees fully demonstrate their ability. In accordance with the provisions of the Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment (Equal Employment Opportunity Act) and other relevant laws, we handle personnel matters, including recruitment and assignments, without distinction between men and women. Currently, female employees are engaged in a wide range of duties, including administrative work, station front desk work, serving as conductors and drivers of Shinkansen and conventional lines, and hospital nursing work. Due to the characteristics of the work involved, the railway business requires so-called late-night work (work between 10 p.m. and 5 a.m.). However, the Labor Standards Act at the time of the Company's establishment prohibited late-night work by women in principle, except for some limited job types. Due to this situation, the ratio of female employees as of the end of FY1996 was only 1.3%. Subsequently, in response to the revision of the Labor Standards Act in 1997, we have actively employed female employees. As of the end of FY2022, the number of female employees was 2,325 (approximately 12.4% of all employees), reflecting a significant increase. A female employee was appointed as a Corporate Officer in 2021 and another female was appointed as a Director in 2022 for the first time in the

Company. Female employees are active in many fields, including as Department General Managers and Section Managers.

In addition to our past efforts to enhance various programs to help realize diverse and flexible work styles, we have formulated an action plan based on Act on the Promotion of Female Participation and Career Advancement in the Workplace, which took effect in April 2021, under the leadership of the Women's Empowerment Project launched in July 2020, which is under the direct control of the General Manager of the Personnel Department, in order to become a company in which all employees, regardless of gender, can balance work and childcare and fully demonstrate their ability in rewarding work more than ever.

Under the action plan, we have set numerical targets, such as increasing the percentage of female hired as new graduate entrants to 25% or more and increasing the number of female managers by a factor of 1.5 or more (compared to the end of FY2020), and we are promoting company-wide efforts to achieve these targets by March 31, 2026, when the plan period ends.



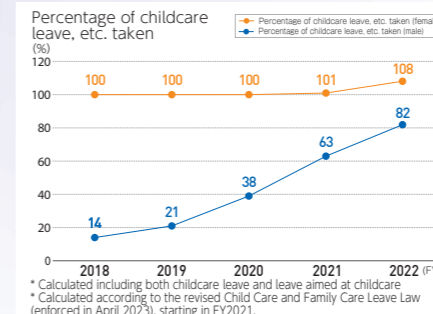
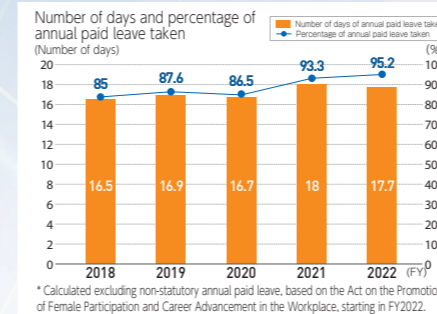
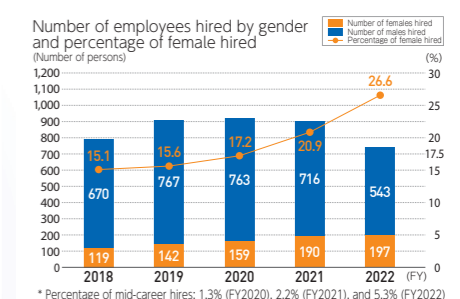
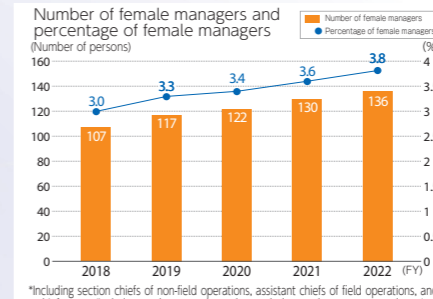
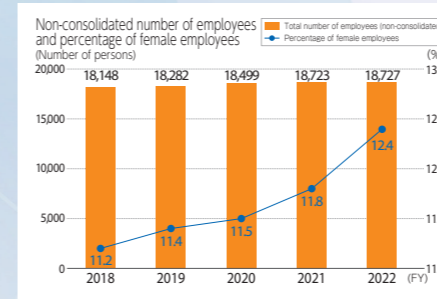
Eruboshi certification based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace (2022)

### Positive action plan for promoting women's empowerment

No.	Initiative	Target	Measures
1	We will increase the hiring rate of women.	Target: Raise the hiring rate of women in the recruitment of new graduates to at least 25%.	<ul style="list-style-type: none"> <li>Strengthen public relations for recruitment so that women can envision themselves working at a railway company.</li> <li>Strengthen the hiring of women in all job types.</li> </ul>
2	We will increase workplaces to which women are assigned, and increase places where employees with restrictions in working styles can play an active role.	Target: Increase workplaces to which women are assigned. Target: Increase places where employees with restriction on working styles can play an active role.	<ul style="list-style-type: none"> <li>Increase workplaces to which women are assigned in view of the provision of facilities for women.</li> <li>Increase places where employees with restriction on working styles due to childcare, etc. can play an active role.</li> </ul>
3	We will increase the number of women in managerial posts.	Target: Assign 1.5 times more women to managerial posts* (vs end of FY2020). * Sum of Line Managers and employees in positions higher than Manager (excluding Officers) Target: Assign 1.5 times more women to Assistant Manager and Supervisor levels or higher (vs end of FY2020).	<ul style="list-style-type: none"> <li>Foster professional mindset among female leaders and support networking outside the Company by sending them on external training courses.</li> <li>Hold seminars with successful women as lecturers in order to introduce role models.</li> <li>Provide training for women aimed at fostering a professional mindset.</li> </ul>
4	We will foster a workplace culture and enhance programs to facilitate women to demonstrate their capabilities.	Target: Foster a workplace culture that empowers women to demonstrate their capabilities. Target: Enhance programs that support employees balancing work and childcare. Target: Raise the percentage of annual paid leave taken to at least 80%.	<ul style="list-style-type: none"> <li>Provide training for managers, etc.</li> <li>Enhance work arrangements, etc.</li> <li>Encourage employees to take annual paid leave.</li> </ul>
5	We will encourage men's participation in childcare.	Target: Raise the percentage of male employees taking childcare leave or leave aimed at childcare to at least 30%.	<ul style="list-style-type: none"> <li>Strengthen the dissemination of information to male employees on childcare-related programs.</li> </ul>

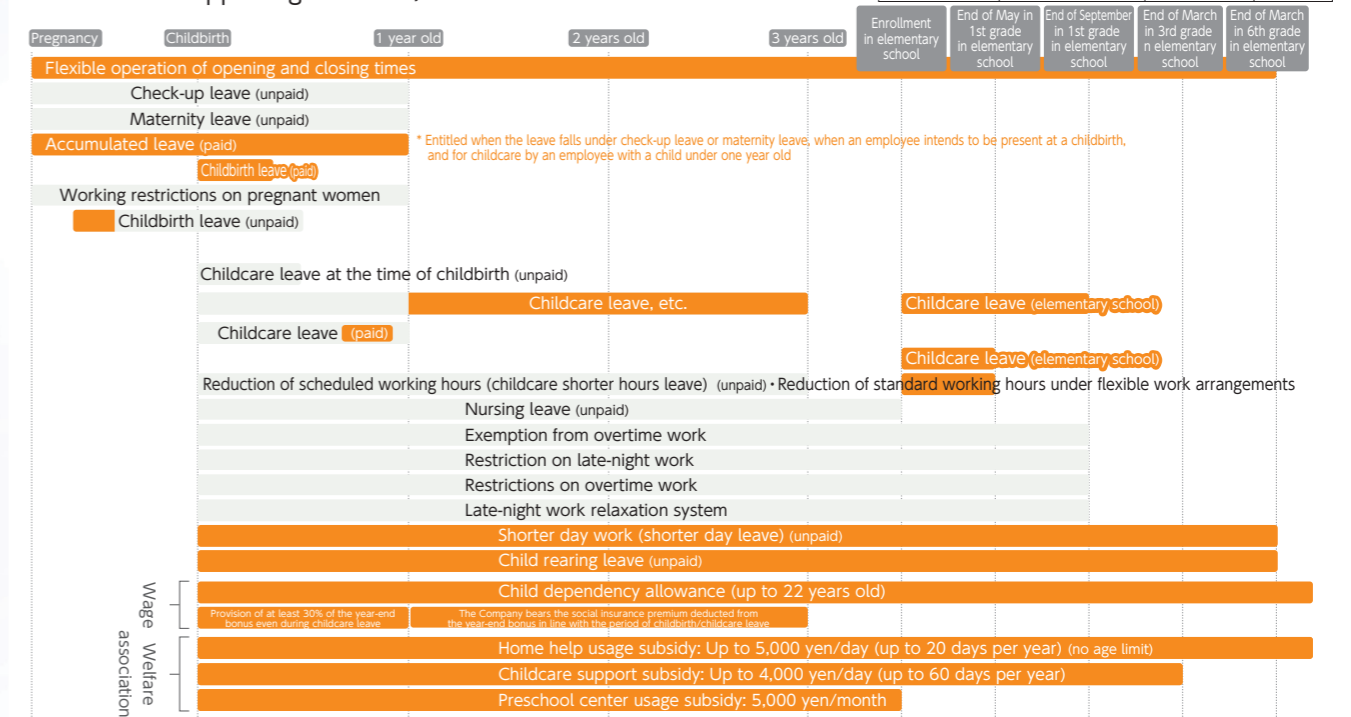
▶ Plan of action for general employers [https://company.jr-central.co.jp/others/action\\_plan/](https://company.jr-central.co.jp/others/action_plan/)

### Initiatives for Human Resources to Support JR Central's Sustainable Growth



### Support system for maintaining balance between childcare, nursing care, and work

#### Initiatives for supporting childcare, etc.



In order for all employees, regardless of gender, to balance work and childcare/nursing care, and be motivated to work with enthusiasm in active roles over many years, we have continued to make further efforts to enhance various programs, and many are at a level that exceeds the level required by law.

For example, at JR Central, employees are entitled to longer maternity, childcare, and nursing care leave than the statutory periods. We are currently taking specific measures\* to maintain and increase the percentage of employees who take childcare leave by setting targets. In FY2022, the percentage of employees who took childcare leave was 108% for female employees and 82% for male employees.

We use flexible work arrangements, including flex time for office workers and certain field office employees and reduced work days, which allows field office employees who provide care to a child in the sixth grade of elementary school or younger to take multiple unpaid leave days each month, all with an eye to helping employees achieve a good balance between work and childcare. We also have a wide range of employee benefits, such as mediating the use of

company-led childcare centers and offering childcare support subsidies when employees use babysitters, etc., which are used by many employees.

In addition to these programs, we have a system designed to rehire former employees who resigned for childcare or nursing care reasons or due to other similar circumstances, as long as a certain set of conditions is met. We also have a system that allows an employee whose work location is limited to be transferred, upon request, to an area outside the current area of work. These measures are all part of our efforts to create a better work environment where employees can reach their full potential at different life stages.

\*Under the Plan of Action for General Employers (from April 2023) based on the Act on Advancement of Measures to Support Raising Next-Generation Children, all employees, both male and female, are expected to take childcare leave or leave aimed at childcare 100% of the time during the period when such leave is available. JR Central has been certified four times by the Minister of Health, Labour and Welfare as a child-care supportive institution ("Kurumin" certification), meeting certain requirements set forth in the Act on Advancement of Measures to Support Raising Next-Generation Children.



"Kurumin" certification

## JR Central Employee Stock Ownership Program

We have established the JR Central Employee Stock Ownership Program for all employees in principle, with the aim of helping employees accumulate assets and enhancing their sense of participation in

management. JR Central's shares are purchased with contributions from employees and incentive payments from the Company.

## Employment of persons with disabilities

JR Central is actively promoting the employment of persons with disabilities from the perspective of utilizing diverse human resources and fulfilling its corporate social responsibility. We place the right people in the right positions in a wide range of departments, including the administrative and operational departments, while giving consideration to the degree of individual disability and other factors.

In October 2006, the Company established a special subsidiary, JR Tokai Well Co., Ltd., based on the Act on Employment Promotion etc. of Persons with Disabilities. This special subsidiary mainly engages in printing and envelope-sealing operations for the JR Central Group. More recently, in October 2021, the company began offering massage services as part of

its initiative to provide benefits and health management to employees, and in January 2023, it expanded its operations by bolstering its structure and offering expanded hours of operation and appointment slots.

As a result of these efforts, the employment rate of persons with disabilities as of June 1, 2023, was 2.70%, which is higher than the statutory employment rate.

In accordance with the revised Act on Employment Promotion, etc. of Persons with Disabilities, we will adhere to our non-discrimination policy in recruitment and hiring as well as continuing to improve the work environment in an appropriate manner, while taking into account restrictions due to disabilities so that individuals with disabilities can make the most of their skills even after they are hired.

## Initiatives to support career development

At JR Central, based on the belief that active communication in the workplace leads to improved productivity, interviews are held every six months where employees are given feedback from their managers and the workplace targets are shared. While maintaining the principle of employee

development through job rotation, we conduct a survey every year on desired jobs and career paths of individual employees to support their career development. The personnel department also holds interviews with employees.

## "One STEP" activities to improve employee skills and create a lively workplace

We promote "One STEP" activities in which multiple employees work together as a team to discuss various issues in the workplace with a sense of ownership, and then resolve or improve the issues through their own creativity and originality. The name of this program "One STEP" reflects the idea that "one step made together by ten persons is better than ten steps

made by just one person." By implementing activities on a wide range of themes, such as service improvement, safety enhancement, and cost reduction, we aim to improve the skills of employees, create a rewarding and lively workplace, boost the power of the workplace, and develop the Company.

## 3. Health and Productivity Management

We are actively enhancing health and productivity management in order to maintain and promote the health of our employees, which is the foundation for our continuing to fulfill our social mission.

### Purposes and organization

In order to achieve our mission to "Contribute to the development of Japan's main transportation artery and social infrastructure" shown in our management philosophy, it is essential that each and every employee demonstrate his/her full potential. In order to maintain and promote employee mental and physical health as its basis, we established the Health Promotion Policy as our overall policy for health promotion measures in April 2018 for the Company to actively support the maintenance and promotion of employees' health.

#### "Health Promotion Policy"

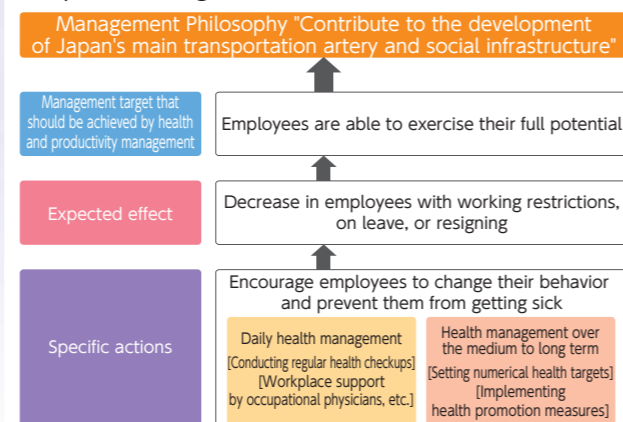
~For Working in a Lively and Continuous Way~

- 1 The Company shall establish frameworks for employees to work in a lively way.
- 2 Employees should promote their own health. The Company shall support this.
- 3 We verify the effects of those efforts and further promote health based on objective data that help us understand the status of workplaces and employees.

The organization is headed by the officer in charge of personnel affairs, health and productivity management is being enhanced through cooperation among the Personnel Department, the Company-managed

medical institute (Nagoya Central Hospital), and the Occupational Health Department (Health Care Center).

### Purposes (Targets and actions)



### Numerical targets

With the aim of reducing the number of employees who are unable to exercise their full potential due to health reasons, we are working to improve health-related indicators that are considered to have a high correlation with physical and mental illness based on the findings of occupational physicians. This is based on the concept of preventing disease by taking action at the stage before people are exposed to health risks, rather than providing support after they become or are likely to become at high risk of illness.

We focus on exercise habits and smoking rate among health-related indicators that are considered to have a high correlation with physical

and mental illness, and set numerical targets to be achieved by FY2023 to encourage employees to change their behavior.

	Targets (until FY2023)	Current level (FY2022)
Exercise habit	Increase the percentage of employees who walk an average of 8,000 steps or more per day to 50% or more	41.1%
Smoking rate	Reduce the number of smokers by 25% from the FY2018 level(FY2018: 25.8%⇒ Target: 19.3%)	21.1%

## Measures

### Understanding the health status and sharing health issues and enhancement measures

In addition to stress checks for all employees (with more check items than those required by law), we carry out stress checks with our own additional indicators for employees who have newly joined the Company, have moved to another department, or have been promoted. Furthermore, annual meetings are held for health promotion staff to share health issues faced by our employees and our promotion measures.

### Smoking cessation support

We provide support including having internal medical professionals give health lectures, offering in-person instruction during health checks or workplace inspections, accepting telephone and e-mail consultations, and consolidating smoking rooms. We are also encouraging staff to utilize the Smoking Cessation Support Program offered by JR-KENPO.

### Workplace vitality improvement projects

We are taking various voluntary and continuous measures both for mental health and against lifestyle diseases, based on employees' health status and work environments, with assistance from internal medical professionals, with the safety and health organization at each workplace playing a central role. In doing so, we are effectively utilizing the group analysis results of health checks and stress checks.

### Habituation of exercise support

We hold the following events to improve awareness of health promotion and support the habituation of exercise.

#### ● Walking event "Minna de Arukatsu"

For the walking event held by the JR Group Health Insurance Association, we are making company-wide efforts by establishing an original incentive system.

## Selected as "White 500" under the 2023 Certified Health & Productivity Management Outstanding Organizations

The Ministry of Economy, Trade and Industry (METI) awards corporations, including large corporations and small and medium-sized enterprises, that practice particularly excellent health and productivity management, based on their efforts to address local health issues and the health promotion initiatives promoted by Nippon Kenko Kaigi. Selected as "White 500" under the 2023 Certified Health & Productivity Management

Outstanding Organizations for our various initiatives focusing on health and productivity management.

We will continue to make efforts to promote the maintenance and enhancement of physical and mental health of all of our employees so that they can exercise their abilities to the fullest.



### Personnel-related data

	Unit	2018	2019	2020	2021	2022 (FY)
		Average age	Male	37.6	37.4	37.1
	Female	31.2	31.7	31.8	32.1	32.3
	All	36.9	36.7	36.5	36.3	36.4
Average years of service	Male	17.7	17.4	17	16.8	16.7
	Female	9.7	10.1	10.2	10.4	10.6
	All	16.8	16.5	16.3	16	16.0
Average number of training hours per year	Hours	34	36	35	33	31
Union membership rate (percentage of all employees covered by collective bargaining agreements)	%	-	-	94.6	94.7	94.7
Employment rate of persons with disabilities	%	2.26	2.51	2.75	2.74	2.68
Turnover rate	Male	1.1	1.1	0.9	1.1	1.6
	Female	3.5	3.7	3.4	3.6	3.5
	All	1.4	1.4	1.2	1.4	1.9

Item	Results		
	R2	R3	R4
Percentage of employees receiving regular health checkups	100%	100%	100%
Employees maintaining normal weight * Aged 40 or older	60.0%	61.8%	61.9%
Percentage of employees with any problem observed	52.3%	53.2%	53.1%
Stress check	Percentage of employees receiving the check	100%	100%
	Comprehensive health risk (national average: 100)	86	87
Percentage receiving physical examinations	Male	71.2%	75.7%
	Female	68.8%	75.2%
Employees at high risk (continuing to receive health guidance) * Among those aged 40 or older	Employees subject to specific health guidance * Among those aged 40 or older	22.4%	20.2%
	Employees participating in specific health guidance * Participation rate of the first support program	83.1%	80.3%
Employees at high risk (continuing to receive treatment)	Percentage of those receiving detailed examination	45.1%	40.5%
	Absenteeism * Method: Percentage of employees on leave due to accident or sickness* Number: All employees* Response rate: 100%	0.5%	0.6%
Participation rate in "Minna de Arukatsu" * A walking event hosted by JR-KENPO	67.8%	72.0%	77.5%
Employee health literacy	<ul style="list-style-type: none"> <li>•Mental health seminar (offered in various training programs, etc.)</li> <li>•Lectures on health by occupational physicians or public health nurses (held at workplaces)</li> <li>•Appointing staff in charge of health promotion at each workplace and holding training sessions for them</li> </ul>		