



JR-CENTRAL Integrated Report 2023

Integrated Report 2023



CENTRAL JAPAN RAILWAY COMPANY

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Editorial Policy

JR Central strives to enhance dialogue with its stakeholders, including shareholders and investors, in order to contribute to sustainable growth and an increase in corporate value over the medium to long term. This report is intended to deepen readers' comprehensive understanding of our company's financial information and non-financial information, including business strategies and ESG information. It is edited with reference to the "International Integrated Reporting Framework," issued by the International Integrated Reporting Council (IIRC), and "Guidance for Collaborative Value Creation," issued by the Ministry of Economy, Trade and Industry. For ESG information, we refer to the "GRI Standards," issued by the Global Reporting Initiative (GRI).

[Cautionary Statement Concerning Forecasts, etc.]

Forward-looking statements and forecasts contained in this document are estimates based on information currently available to JR Central and contain risks and uncertainties. Examples of potential risks and uncertainties include changes in economic trends, the business environment, consumer trends, the competitive positions of JR Central and its subsidiaries, and laws and regulations. This report is prepared based on information available as of the end of September 2023, in principle.

- The figures of financial information are rounded down to the nearest unit, and other figures are rounded to the nearest unit.
- FY2022 signifies the fiscal year ended March 31, 2023.

Management Philosophy

Contribute to the development of Japan's main transportation artery and social infrastructure

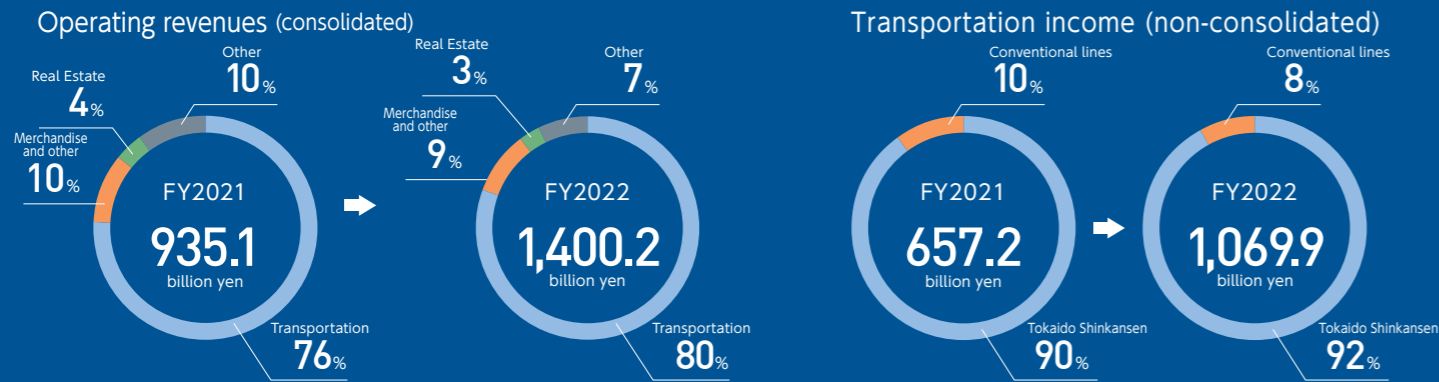
Japan's main transportation artery

JR Central's mission is to undertake high-speed, large-capacity passenger transport between Tokyo, Nagoya, and Osaka. "Japan's main transportation artery" refers to this passenger transport. Since the main transportation artery runs through this area of Japan, which plays an important role as the center of the country's economy and culture, its stagnancy could cause the entire economic and societal movement in Japan to also stagnate. JR Central will continue to carry out its mission of managing Japan's main transportation artery today and in the future through operation of the Tokaido Shinkansen and the Chuo Shinkansen.

Social infrastructure

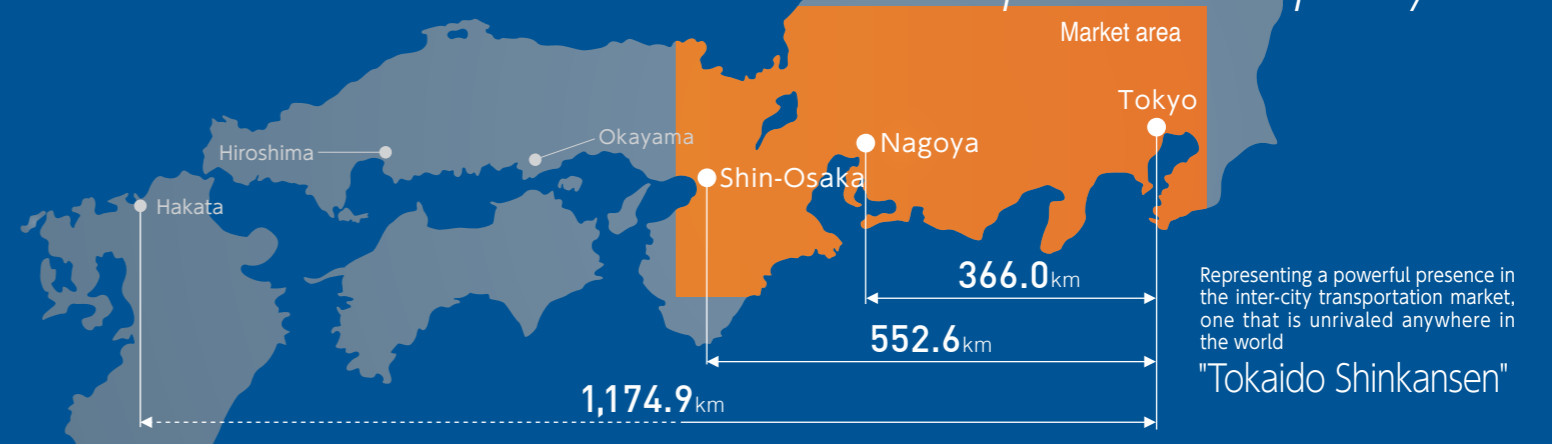
With a broader perspective, JR Central also undertakes the mission of supporting social infrastructure. That is, along with the management of Japan's main transportation artery, we take a locally oriented approach in operating a network of conventional lines in the Tokai Region, centered on the Nagoya and Shizuoka areas, and manage affiliated businesses focused on the local communities, thereby supporting the people in these areas. We will remain committed to operating conventional lines while managing and further enhancing our affiliated businesses.

JR Central's Operating Revenues Composition



*1 The consolidated operating revenues composition is based on the revenues from external customers.
*2 The operating revenues and transportation income for FY2021 and FY2022 decreased because of the impacts of the COVID-19 pandemic.

Market Area Characteristics and Transportation Capacity



Transportation

In addition to operating railroad business on the Tokaido Shinkansen and conventional lines in the Tokai Region, JR Central is also engaged in bus operation and other businesses.

Major affiliated companies

Central Japan Railway Company
JR Tokai Bus Company



Merchandise and other

In addition to operating a department store in JR Central Towers, JR Central primarily sells goods onboard trains and within station premises.

Major affiliated companies

JR Tokai Takashimaya Co., Ltd.
JR Tokai Corporation
JR CENTRAL RETAILING PLUS Co., Ltd. *

* Tokai Kiosk Company and JR-Central Passengers Co., Ltd. merged in October 2023.



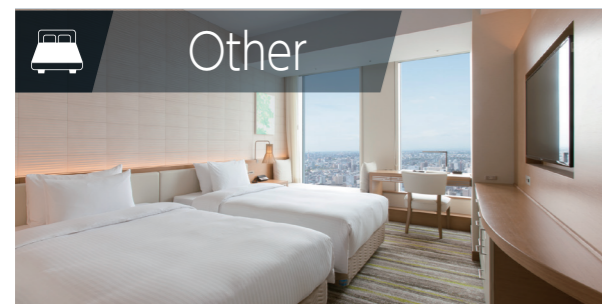
Real Estate

In addition to the station building and other real estate leasing business, the JR Central Group is also engaged in the real estate sales business.

Major affiliated companies

Central Japan Railway Company
JR Central Building Co., Ltd.
JR Tokai Real Estate Co., Ltd.
Shin-Yokohama Station Development Co., Ltd.

Tokyo Station Development Co., Ltd.
Nagoya Station Area Development Corporation
JR Development and Management Corporation of Kansai



Other

In addition to hotel business at JR Central's major stations, etc., it is also engaged in such businesses as travel, advertising, manufacturing of rolling stock, etc., and construction.

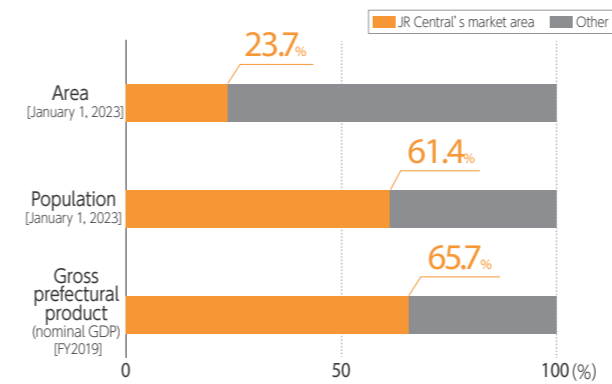
Major affiliated companies

JR Tokai Hotels Co., Ltd.
JR Tokai Tours, Inc.
JR Tokai Agency Co., Ltd.
Nippon Sharyo, Ltd.

Chuo Linen Supply Co., Ltd.
JR Tokai Construction Co., Ltd.
Tokai Rolling Stock & Machinery Co., Ltd.
Nippon Kikai Hosen Co., Ltd.

The population and economic activities in Japan are concentrated in our market area, covering the Tokyo Metropolitan area, the Nagoya area, and the Osaka area.

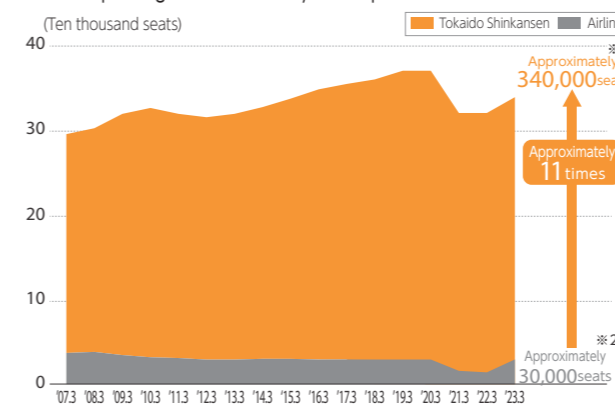
Percentages of JR Central's market area in Japan as a whole



* JR Central's market area is calculated taking the following prefectures into account: Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Shizuoka, Yamanashi, Nagano, Aichi, Mie, Gifu, Shiga, Osaka, Kyoto, Hyogo and Nara
[Source] Area: "The Report of Statistical reports on the land area by prefectures and municipalities in Japan," issued by the Geospatial Information Authority of Japan
Population: "Population, Demographics and Number of Households Derived from Basic Resident Registration," issued by the Ministry of Internal Affairs and Communications
Gross prefectural product: "Report on Prefectural Accounts," issued by the Cabinet Office

JR Central provides unrivaled transportation capacity that is incomparable to other modes.

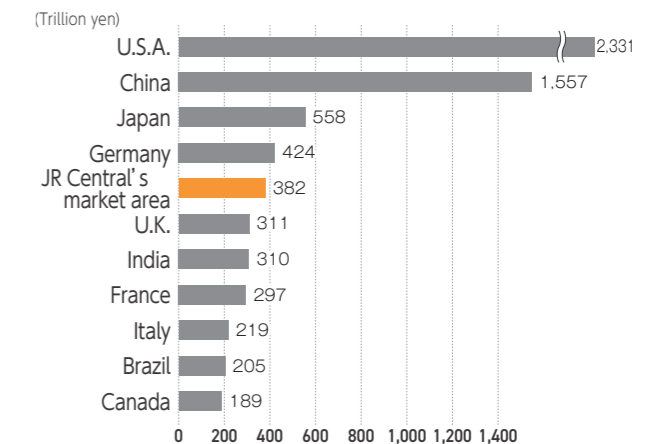
Changes in daily transportation capacity (Comparison between the Tokaido Shinkansen and airline transportation services operating between the Tokyo Metropolitan area and the Osaka area)



*1 Tokaido Shinkansen: The number of passenger seats provided by "Nozomi" and "Hikari" through train services operating between Tokyo Station and Shin-Osaka Station in each respective fiscal year (including unscheduled train services)
*2 Airlines: Calculated by JR Central based on information pertaining to specified Japanese air carriers (issued by the Ministry of Land, Infrastructure, Transport and Tourism) for FY2006 to FY2022
*3 The figures for the period between '21.3 and '23.3 decreased because of the impacts of the COVID-19 pandemic.

JR Central's market area is comparable to the economic size of major countries.

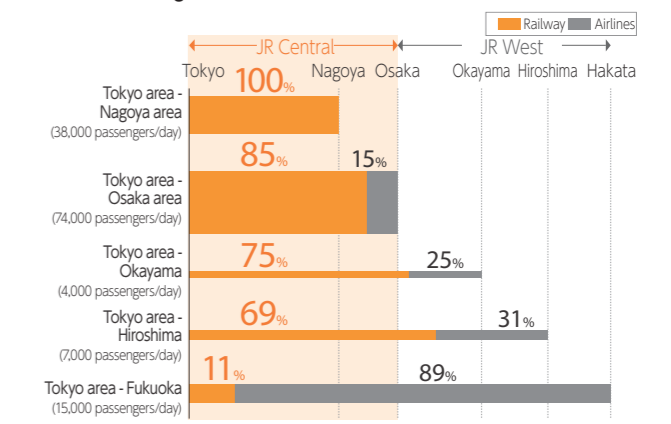
Comparison with GDP of each country



* Calculated at a rate of 109.05 yen per dollar
Source: United Nations database, "Report on Prefectural Accounts (FY2019)," issued by the Cabinet Office

JR Central has established an overwhelming market share within its market area.

Market share (against airlines)

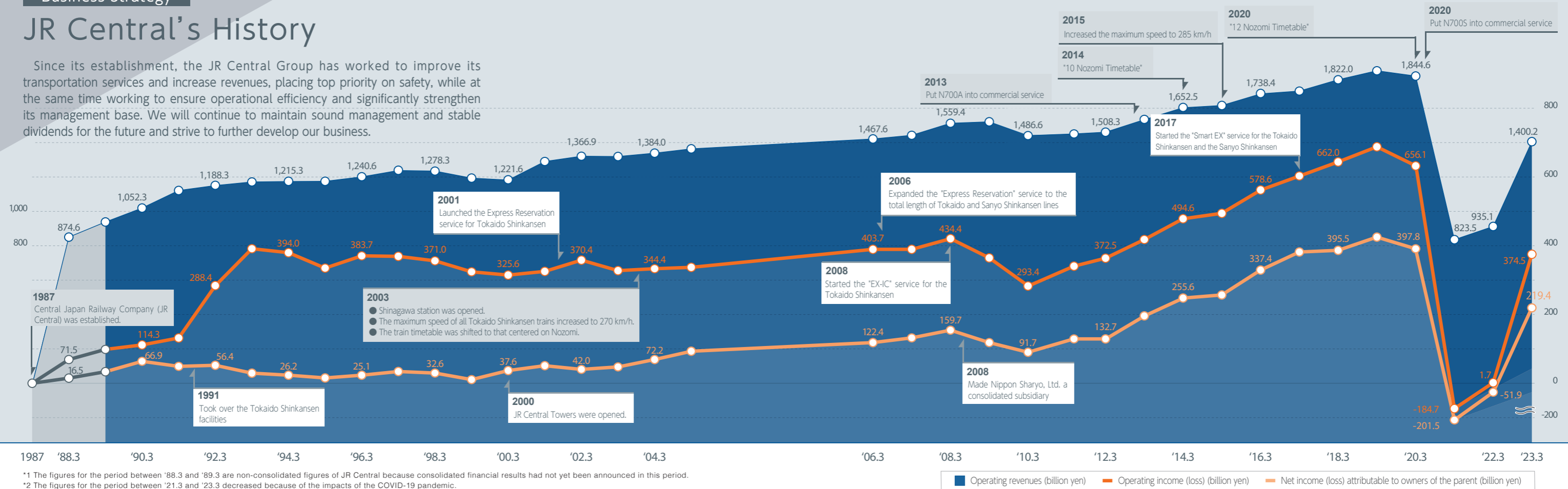


*1 Market share is calculated by JR Central based on the Inter-Regional Passenger Mobility Survey for FY2021, issued by the Ministry of Land, Infrastructure, Transport and Tourism.
*2 Numbers of passengers per day decreased because of the impacts of the COVID-19 pandemic.
*3 Tokyo area: Tokyo, Kanagawa, Chiba, Saitama and Ibaraki prefectures
Nagoya area: Aichi, Gifu and Mie prefectures
Osaka area: Osaka, Kyoto, Hyogo and Nara prefectures

Business Strategy

JR Central's History

Since its establishment, the JR Central Group has worked to improve its transportation services and increase revenues, placing top priority on safety, while at the same time working to ensure operational efficiency and significantly strengthen its management base. We will continue to maintain sound management and stable dividends for the future and strive to further develop our business.



*1 The figures for the period between '88.3 and '89.3 are non-consolidated figures of JR Central because consolidated financial results had not yet been announced in this period.
 *2 The figures for the period between '21.3 and '23.3 decreased because of the impacts of the COVID-19 pandemic.

JR Central Established by the Privatization and Breakup of JNR

On April 1, 1987, JR Central was established as a result of the privatization and breakup of the Japan National Railways (JNR).

JNR, the predecessor of JR Central, was created in 1949, taking over Japan's railroad business, which was a state-run business at the time, as a public entity. Although JNR supported Japan's development through the provision of efficient transportation for the Japanese people, due to its poor management in the form of a public corporation, it incurred debts of over 30 trillion yen, largely as a result of the creation of new lines with unclear management responsibilities and a disregard for profitability. At the same time, it was in a serious condition where it was unable to respond quickly to the market trends.

Under these circumstances, the "JNR reform" was undertaken to review the role of the railroad business operated by JNR for the future. In 1987, as part of administrative reform, JNR's operations were taken over by 11 successor corporations, with the objective of restructuring the railroad business as a means of transportation for the people and further developing it for the future by breaking up and privatizing JNR's transportation operations to ensure sound corporate management.

Since the breakup and privatization of JNR, JR Central has steadily progressed as a private company while taking over the public and social mission that JNR had assumed.



Photograph from the time of privatization "Hida #1" departure ceremony (April 1, 1987, at Nagoya Station)

JR Central Consistently Improving Transport Services on the Tokaido Shinkansen

With the inauguration of the Tokaido Shinkansen in 1964, the travel time between Tokyo and Osaka was reduced to 3 hours and 10 minutes (4 hours at the time of inauguration) from 6 hours and 30 minutes. Furthermore, with the introduction of the "Nozomi" in 1992, that time was reduced to a minimum of 2 hours and 30 minutes.

In October 2003, the investment in rolling stock and ground facilities that we had constantly engaged in for approximately 15 years culminated with the upgrading of the maximum speed of all Tokaido Shinkansen trains to 270 km/h and the drastic timetable revision, which allowed a maximum of seven "Nozomi" services operating each hour.

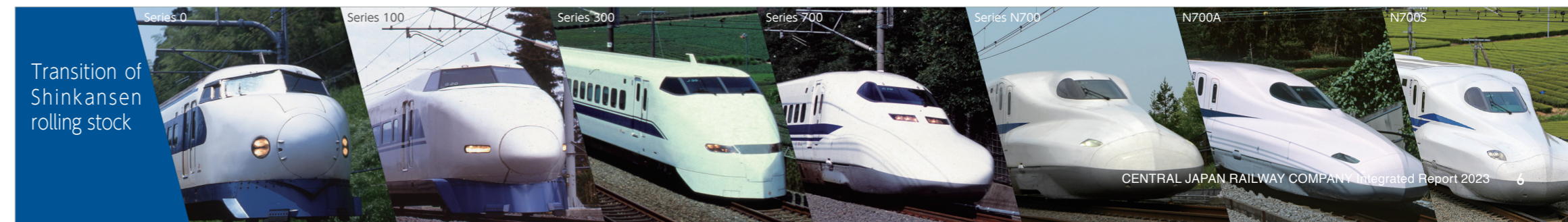
With the introduction of the "10 Nozomi Timetable" (operating up to 10 Nozomi trains per hour) in 2014

and the increase in maximum speed to 285 km/h in 2015, the shortest travel time between Tokyo and Osaka has now been reduced to 2 hours and 21 minutes. With the timetable revision of March 2020, we realized the "12 Nozomi Timetable," which operates up to 12 Nozomi trains per hour (1 every 5 minutes on average) during busy hours. In July of the same year, we began commercial operation of the new N700 Series Shinkansen, which incorporated the results of our accumulated technological development over the years, making the Tokaido Shinkansen even more convenient to use.

JR Central Establishes a Solid Management Base

| | FY1987 | FY2019 | FY2022 | |
|-------------------------------|--|----------------------------|------------------------------|---------|
| Tokaido Shinkansen | Railway operation accidents (cases per year) | 60 | 17 (significantly decreased) | 24 |
| | Passenger volume (10,000 people per day) | 27.9 | 45.8 (1.6 x) | 36.0 |
| | Number of services (trains per day) | 231 | 378 (1.6 x) | 356 |
| Operating Results | Maximum speed (km/h) | 220 | 285 (+65km/h) | 285 |
| | Operating revenues (billion yen) | 874.6 *1 | 1,844.6 (2.1 x) | 1,400.2 |
| | Operating income (loss) (billion yen) | 71.5 *1 | 656.1 (9.2 x) | 374.5 |
| | Net income (loss) attributable to owners of the parent (billion yen) | 16.5 *1 | 397.8 (24.1 x) | 219.4 |
| Long-term debt (trillion yen) | 5.5 *2 | 1.8 *3 (-3.6 trillion yen) | 1.9 *3 | |

*1 Non-consolidated figures *2 Figures for FY1991 *3 Excluding long-term debt for the Chuo Shinkansen



Transition of Shinkansen rolling stock

Top Message

Business Strategy

We will continue to firmly fulfill our mission of “contributing to the development of Japan’s main transportation artery and social infrastructure” into the future.



Shunsuke Niwa,
President and Representative Director

My approach to management of JR Central

I am Shunsuke Niwa, the new President of Central Japan Railway Company as of April 1, 2023. I would like to express my sincere gratitude for your unwavering support of the management of the JR Central Group.

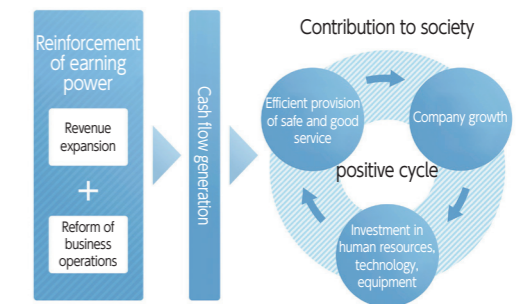
I would first like to explain my approach to management of JR Central.

As a railway operator, our top priority is safety. Trust in railway companies is built on the daily continuation of safety. We will constantly pursue safety in both physical and non-physical terms by steadily implementing capital investment and enhancing the competence of our employees through employee education and training.

The market area of JR Central’s railway business, which is the area connecting Tokyo, Nagoya, and Osaka, is Japan’s main transportation artery, which supports its economy and is in very strong demand. We have addressed this strong demand and grew our earnings by enhancing the transportation capacity of the Tokaido Shinkansen on the basic premise that safety is ensured and working to enhance customer convenience through measures such as improving the EX Service. However, we faced a very challenging business environment during the three years of the COVID-19 pandemic that began in 2020. In April 2020, under the declared state of emergency, the passenger volume of the Tokaido Shinkansen and conventional line express trains dropped by nearly 90% from the previous year. We felt a great sense of urgency as we posted significant deficits in both FY2020 and FY2021. Passenger volume and Group company earnings have recovered to a certain extent since FY2022, but the pandemic drastically changed people’s lifestyles and workstyles, urging us to look to new directions to earn revenue. This led us to develop a strategy of “Reinforcement of earning power,” which consists of two pillars: “revenue expansion” and “reform of business operations.” In October 2022, we presented our future vision of railways. By making company-wide efforts to realize this vision and generating cash flow, we will continue to create a positive cycle of investment and service improvement. As our employees,

including those of Group companies, work together to take on the challenge of the evolution and transformation of “Reinforcement of earning power,” I hope to build a more resilient management platform for the company than before the pandemic.

Reinforcing management resources for a positive investment and service improvement cycle



Meanwhile, we are vigorously pushing ahead with the Chuo Shinkansen Project, as nearly 60 years have passed since the launch of the Tokaido Shinkansen, our revenue pillar, necessitating thorough preparedness against future aging and potential large-scale disasters. By introducing a superconducting maglev system to the Chuo Shinkansen, the overwhelming travel time reduction will turn the three major metropolitan areas into a single megalopolis, significantly contributing to the revitalization of the Japanese society and economy. We are devoting our full efforts toward the commencement of service firstly to Nagoya while placing emphasis on construction safety, environmental protection and coordination with local communities.

Creating a positive cycle of “ESG management” to contribute to the development of Japan’s main transportation artery and social infrastructure

JR Central’s idea of ESG management is a management style of pursuing growth of the company while simultaneously generating economic value, such as profits and cash flows, and creating social value, which is the realization of a sustainable and prosperous society, through business activities. In light of this understanding, we have been practicing ESG management by generating economic value and creating social value simultaneously based on solid governance to enhance the trust of all stakeholders as we aim for long-term development under our management philosophy of contributing to the development of Japan’s main transportation artery and social infrastructure while at the same time establishing a safety-first corporate culture and ensuring soundness of management.

Specifically, we have been continually pursuing economic value by meticulously improving the punctuality and comfort of railway transportation services of the Tokaido Shinkansen, the main transportation artery of Japan, and conventional lines in the Tokai region, with safety as our top priority. We have also developed Group businesses with high synergy with the railway business, worked to reduce costs, improve efficiency, and Reinforcement of earning power, and secured cash flows by steadily increasing revenues and profits.

At the same time, we have contributed to realizing a more comfortable society and developing local communities by pursuing service safety, punctuality, and comfort in our business activities centered on the Tokaido Shinkansen, our main line of business. We have also continually sought to enhance environmental superiority by incorporating the latest technologies while promoting the use of railway transportation, which inherently has



Top Message Business Strategy

excellent environmental performance. The results of these business activities have led to the achievement of the "sustainable development" goals of the SDGs in the form of building a safe and resilient infrastructure, promoting innovation, and mitigating the impact of climate change. Furthermore, we have continually created social value by focusing on developing human resources that support the operation of the railway business and making daily efforts to achieve the SDGs from the perspective of promoting gender equality, creating a motivating workplace, and promoting employment.

Enhancing the strengths of human resources to become an organization full of momentum

Since joining JR Central in 1989, I have been long involved in human resource development and labor affairs in various divisions, from departments close to the front line to the head office. This is why I have a strong desire to maximize and utilize the power of "people." "People," "goods," "money," and "information" are often cited as the managerial resources of a company. It is "people" who think of and implement measures to generate cash flows, and human resources are a company's greatest business asset. The basic philosophy of our human capital management is to invest effectively in the education and training of recruited human resources and make the most of their improved abilities.

Many high-potential employees work at JR Central and Group companies. As I engaged in discussions with numerous employees, including young and mid-level employees, to overcome the difficult environment brought about by the pandemic, I met many employees who were full of ideas and a spirit of challenge, which made me convinced that we have the potential to overcome the difficult situation. I intend to maximize the potentials of our human resources and utilize it in the management of the company.

Fulfilling our role as a railway company rooted in the local community

Our conventional lines centered in the Nagoya and Shizuoka areas serve as a means of daily transportation, including commuting to and from work and school, for local customers. Due to the development of road networks and the proliferation of telework, the environment surrounding conventional lines has become difficult. However, JR Central has fulfilled its role as a local infrastructure provider by improving its operating efficiency and services. Between 2022 and 2023, we introduced the new limited express rolling stock Series HC85 for our express trains Hida and Nanki. We hope that more customers will enjoy a comfortable and joyful trip.

Railway stations, where train passengers and many other people gather, are important hubs for local communities. JR Central has taken advantage of such favorable locations to develop offices, commercial facilities, and hotels, significantly enhancing the appeal of railway stations and generating revenue. In October 2023, we also launched a point service that can be earned and used at the Group's commercial facilities. We will continue to devise ways to provide services that further enhance the satisfaction of the residents in local communities around railway stations.

Meanwhile, the Chuo Shinkansen faces the issue of not being able to start construction in the Southern Alps Tunnel Shizuoka construction area due in part to the concerns of local residents regarding the impact on the water resources of the Oi River and the environment of the Southern Alps. However, we have been committed to detailed two-way communication to resolve the concerns and anxieties of the local residents in light of the scientific and engineering discussions at the Expert Conference on

Using the abovementioned cash flows, i.e., economic value, as the source, we have developed even safer, more resilient and environmentally superior infrastructure, improved services, developed human resources that support the infrastructure and services, and promoted innovation to create social value. This has led to a positive cycle of providing better services and attracting more users. This positive cycle has also made it possible for us to realize the ongoing Chuo Shinkansen Project.

Based on these values, I will develop a corporate culture of "thinking freely, discussing a lot, and tenaciously getting the job done" while at the same time maintaining discipline and values such as teamwork and unity, which have sustained JR Central in the past. As the environment around us changes, I will work to create an organization full of momentum that can develop and implement various measures despite a difficult environment.

Diversity of discussion is essential to creating a strong organization. Particularly since we provide rail and other highly public services that are used by a wide range of customers, I believe it is vital that all of our employees from diverse backgrounds fully exercise their skills and play an active role in the company. By enhancing support systems for balancing work and life events such as childcare and nursing care and working on the Women's Empowerment Project, I will enable all employees, regardless of gender, to be motivated and fulfilled in their work more than ever for a long time and enrich their professional lives as they contribute to the company's development.

the Linear Chuo Shinkansen Shizuoka Section of the Construction Site, organized by the Ministry of Land, Infrastructure, Transport and Tourism. With regard to the impact on the use of water resources of the Oi River, we have been working to provide clear-cut explanations to local communities, flesh out ways to address and monitor risks, and realize methods to return to the Oi River the same amount of water as the amount of spring water flowing out from the tunnel to outside Shizuoka Prefecture on an exceptional basis during certain periods of construction, based on the interim report on the Oi River water resource issues prepared in December 2021 by the Expert Conference.



Promoting the use of environmentally friendly railways to contribute to global environment conservation

Railways have the excellent characteristic of higher energy efficiency and lower impact on the global environment than other means of transportation. I believe that railways can play a significant role in realizing a sustainable society. In order to further enhance this characteristic of railways, we have been implementing various measures, such as introducing energy-efficient rolling stock. Given the government's 2050 carbon neutrality goal, we aim to reduce CO₂ emissions to substantially zero to further increase the environmental superiority of railways. We will also reduce the impact on the global environment by reducing waste and recycling resources, including the effective use of "Tokaido Shinkansen recycled aluminum."

Recent initiatives include the commencement of solar power generation using the Tokaido Shinkansen's trackside slopes, which we

announced in November 2023. We believe this is a social contribution that is possible only for a railway company, utilizing previously unused assets to generate renewable energy.

In addition, we endorsed the recommendations of the TCFD* in May 2021 and in April 2022 conducted and disclosed the results of a quantitative analysis on facility damage of the Tokaido Shinkansen due to the increase in floods. This time, we have expanded our disclosure since we have completed our analysis of profit loss caused by heavy rain. We will continue to identify the risks and opportunities related to climate change and promote information disclosure.

*TCFD stands for Task Force on Climate-related Financial Disclosure.

Governance with an awareness of the balance among stakeholders

The railway business serves the public good and is supported by various stakeholders. We will enhance the trust of all stakeholders without focusing on certain interested parties and sustainably grow as a company to continue fulfilling our mission of "contributing to the development of Japan's main transportation artery and social infrastructure." Based on this stance, our basic policy for shareholder return is to maintain sound management while securing internal reserves to steadily promote various projects, including the Chuo Shinkansen Project, and to maintain stable dividends. Based on this policy, we continued to pay a certain amount of dividends even in periods when we posted a net loss due to the pandemic. We will first make efforts to quickly restore the business to its pre-pandemic state and then vigorously promote the various initiatives mentioned earlier to exceed our previous state of business.

Through long-term capital investments and human resource development, we will refine the characteristics of the Tokaido Shinkansen, Japan's main transportation artery, which are safety, punctuality, high speed, and frequency, and continue to strengthen the conventional lines in the Tokai region that form a network with the Tokaido Shinkansen, as well as Group businesses. In this context, we are promoting the Chuo Shinkansen Project to continue fulfilling our mission. I believe that the project will stabilize the company's management into the future and secure profits for all stakeholders, including our shareholders. I would like to thank all of our stakeholders for their continued support and understanding of the JR Central Group.



Business Strategy Positive Cycle of "ESG Management"

JR Central's "ESG management"

Creating Social Value

Generating Economic Value





JR Central's "ESG Management"

JR Central's Key Business Activities

JR Central's basic policy is to carry out the following from a medium- to long-term perspective, based on its management philosophy of contributing to the development of Japan's main transportation artery and social infrastructure: To maintain and develop the Tokaido Shinkansen, Japan's main transportation artery, and the conventional line network in the Tokai region in an integrated manner, ensuring safe and reliable transportation as a top priority; to operate "three generations of railways" by constructing the Chuo Shinkansen to make Japan's main transportation artery a dual system; and to work together with Group companies to develop related businesses that have synergies with railways.

Through business strategies based on this basic policy, we have been practicing ESG management, which is the generation of

economic value, such as profits and cash flows, and social value, which is the realization of a sustainable and prosperous society, simultaneously based on solid governance to enhance the trust of all stakeholders. This has led us to achieve sound management, stable dividends and sustainable growth as a company.

For the JR Central Group, with the railway business as its core business, it is crucial to strengthen its competitiveness by developing human resources, making capital investments and developing technologies based on a long-term vision, ensuring safe and reliable transportation as a top priority. To this end, our business activities focus on (1) safety measures, (2) service improvement measures, (3) greater efficiency and (4) pursuit of environmental superiority.

1 Safety measures

The greatest mission of the railway business is to ensure safety at all times and in all circumstances. Regardless of past performance, once a company causes a major accident, trust in the company is lost at once, and even its very existence may be threatened. With this frame of mind, we have been concentrating our greatest energy into safety assurance from both physical and non-physical perspectives ever since our establishment. In terms of non-physical measures, we have been continually building systems to ensure safety, mainly by establishing rules and regulations. Furthermore, human resource development is indispensable to put these systems into practice. Therefore, we promote initiatives to deepen employees' understanding of the nature of duties and rules by proactively thinking about them, in addition to raising their awareness of discipline so that they can comply with the rules themselves. Additionally, we repeatedly perform practical training so as to be able to respond to various situations expected in the event of natural disasters, unforeseen circumstances, or other extraordinary events.

In terms of the physical aspect, capital investment is also important to ensure safety. The majority of JR Central's capital investment to date has been safety-related, totaling more than 4.4 trillion yen since its establishment. For example, for the Tokaido Shinkansen, we have upgraded the ATC (Automatic Train Control) system, implemented earthquake countermeasures such as derailment prevention guards and an earthquake disaster prevention system, and carried out large-

scale renovation to maintain and improve the integrity of Shinkansen infrastructure. For conventional lines, we have introduced ATS (Automatic Train Stop)-PT in all train lines, made various structures quake-resistant, taken measures against heavy rainfall and falling rocks, and improved safety devices on grade crossings. In addition, we are working continually on security measures at railway stations, on trains and at important facilities, and technology development also focuses on safety-related themes to enable such equipment. Also, the Chuo Shinkansen Project, which we are currently working on, is a project aimed at thoroughly preparing for the future aging of the Tokaido Shinkansen and potential large-scale disasters. Looking ahead, we will continue to work on both physical and non-physical measures to hone our "ability to work safely," which is the most important aspect in the railway business.



Crew pointing and calling



Large-scale renovation

2 Service improvement measures

Since its establishment, JR Central has been working continually to improve its railway services. For the Tokaido Shinkansen, our main line of business, we are working to improve our transportation services, focusing on speed and frequency, while introducing new types of rolling stock and improving ground facilities with safety as our top priority. In 2003, with the opening of Shinagawa Station, the maximum speed of all trains was set at 270 km/h, and we shifted to a timetable centered on the Nozomi. In 2020, the maximum speed of all trains was set at 285 km/h, and we established a timetable with 12 Nozomi trains. In addition to increasing the speed and frequency of our services, we are also working to improve the convenience of our "EX Service" ("Express Reservation" and "Smart EX"), an online reservation and ticketless boarding service. We have also been working to improve the services of our conventional lines by, for example, launching new types of rolling stock and increasing the frequency of services through such launches. We are also working to provide barrier-free access and support for overseas visitors to make it easier for customers to use our services.

On the other hand, in the non-railway business, we are striving to strengthen our competitiveness and sales capabilities by enhancing our store assortments, improving services, renovating commercial facilities at stations and continuously making effective use of company-owned land, focusing on areas where synergies with railways can be expected,

such as the integrated management of the JR Central Towers and the JR Gate Tower. Leveraging fresh perspectives and flexible ideas, we will continue to hone our "ability to provide better service" in the railway and non-railway businesses, including the Chuo Shinkansen, which is under construction.



N700S

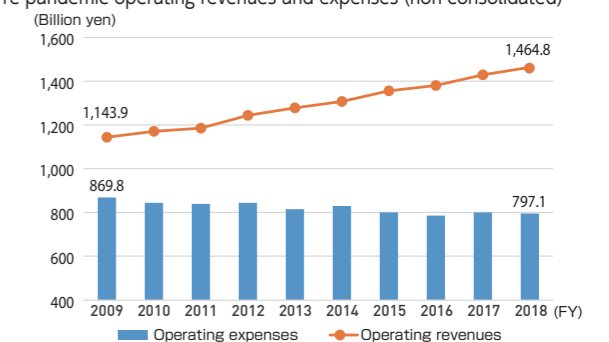
3 Greater efficiency

In addition to increasing revenue by promoting the use of our services through safety measures and service improvement measures, we have been working to improve efficiency and reduce costs in all aspects of business execution, including capital investment, by utilizing the knowledge and technical capabilities we have cultivated and thoroughly pursuing rationality in our business practices without being bound by traditional ways of working. As a result, we have been able to steadily improve our operating profit margin by reducing fixed costs even when operating revenues were increasing, as in the decade or so before the pandemic.

We are also promoting "reform of business operations" to build the most desirable operational system by making full use of ICT in order for the JR Central Group to firmly fulfill its social mission well into the future. Through this effort, we aim to reduce non-consolidated recurring expenses related to the Shinkansen and conventional lines by about 80 billion yen, or approximately 10%, over the next 10

to 15 years. With regard to the Chuo Shinkansen Project, we will continue to improve our "ability to work efficiently" by, for example, continually reducing costs while ensuring safety in all aspects, such as construction, operation and maintenance.

Pre-pandemic operating revenues and expenses (non-consolidated)



4 Pursuit of environmental superiority

Preservation of the global environment is an important issue for JR Central to achieve sustainable growth while earning the trust of society. Inherently, railways have the advantage of being more energy efficient and having less impact on the global environment than other transportation modes. In order to further reduce environmental impact, JR Central is working to further improve the energy efficiency of its railway operations, such as by making its rolling stock more energy efficient.

In addition to the above, we are working to reduce CO₂ emissions further to achieve carbon neutrality by 2050. Specifically, we have introduced Series HC85 cars with lower environmental impact and conducted biofuel experiments to reduce direct CO₂ emissions associated with the use of fuel, which account for approximately 5% of our total emissions. We will also begin simulated driving tests combining vehicle driving test equipment and hydrogen supply development to develop hydrogen-powered vehicles. Research and development will be continued for storage battery vehicles. As for indirect emissions associated with the use of electricity, which account for the remaining approximately 95%, we will introduce additional energy-efficient rolling stock, such as N700S and Series 315, in addition to decarbonization

efforts across the entire power source division in Japan. We will also work to utilize renewable energy. Furthermore, we have expressed our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB). We will identify the financial impact of risks brought about by climate change, among others, and promote information disclosure based on the TCFD recommendations.



Hybrid-powered limited express rolling stock, Series HC85

Positive Cycle of "ESG management"

JR Central generates both "economic value" and "social value" by practicing the above key business activities. The generation of these two kinds of value is not independent, but rather mutually beneficial, contributing to the virtuous cycle of ESG management.

As mentioned earlier, we have been generating economic value in the form of profits and cash flows by striving for efficient business operation while significantly increasing revenues as we refine our services with safety as our top priority.

Using such economic value as a source of funds, we have invested generously in human resource development, technological development and capital investment from a long-term perspective to develop our business sustainably, and we have strengthened the foundation for operating our business by enhancing management capital. We use the management capital accumulated to implement various measures while re-investing it mainly in key business activities and to continually strengthen three kinds of ability--the ability to work safely, the ability to provide better service and the ability to work efficiently--to further improve our business and generate greater economic value.

At the same time, improving our business, especially in key business activities, is also directly related to the creation of social value. Building a resilient infrastructure, with our highest priority on ensuring safe and reliable transportation, and supporting Japan's main transportation artery and regional transportation as social infrastructure, as well as developing Group businesses, will contribute to the sustainable development of Japan's economy and local communities [S]. In addition, railways have the advantage of being more energy efficient and having less impact on the global environment than other transportation modes. In other words, we believe that promoting the use of railways while pursuing environmental superiority will greatly contribute to the preservation of the global environment [E]. In addition, by conducting these corporate activities under appropriate governance [G], we believe we can achieve sustainable growth as a company while increasing the trust of all stakeholders by maintaining sound management, returning profits to shareholders based on our basic policy of maintaining stable dividends, and building long-term, stable relationships with employees and business partners.

Generating "Economic Value"

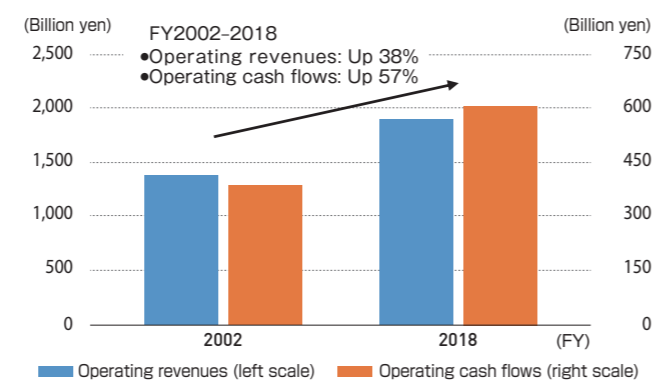
We have used the economic value generated through our business to generate even greater economic value by strengthening our profitability through the continual refining of the Tokaido Shinkansen and other businesses while improving our operational efficiency at the same time. Comparing FY2002, before the opening of Shinagawa Station of the Tokaido Shinkansen, and FY2018, before we were affected by the pandemic, operating cash flows (consolidated) increased 57%.

The cash flows thus generated have been used to alleviate our interest burden by reducing the long-term debt that we have incurred since our establishment. They have also been used to enhance investment in human resources, technology and equipment and to construct the Chuo Shinkansen since FY2014. In the meantime, we have continued to pay stable dividends as a means of returning profits to shareholders.

Such ability to generate economic value is a prerequisite for our ability to operate our business, including the Chuo Shinkansen Project, with a long-term outlook while maintaining sound management

and stable dividends and increasing the trust of all stakeholders at the same time. We are currently making efforts to reinforce earning power, which consist of the two pillars of revenue expansion and reform of business operations, in order to continue fulfilling our social mission into the future.

Growth of operating revenues and operating cash flows (consolidated)



Creating "Social Value"

S Social

S Building safe and resilient infrastructure

Since its inauguration in 1964, the Tokaido Shinkansen has supported the growth of the Japanese economy for more than half a century, with many people using it as the main transportation artery connecting Tokyo, Nagoya and Osaka, the three largest metropolitan areas in Japan. This region is only about 20% of Japan in terms of area, but it is an agglomeration unparalleled in the world with a high concentration of population and generating more than 60% of Japan's GDP. The Tokaido Shinkansen is indispensable infrastructure that boasts an overwhelming presence over other modes of transportation, as it plays a role in providing transportation services, which are the basic elements of the economy and society. We aim to build safe and resilient infrastructure that can protect Japan's main transportation artery at all times.

To that end, we have been dedicating our greatest energy in accident prevention in both physical and non-physical aspects ever since our establishment, developing rules and systems to prevent accidents, developing employees and improving their skills through training, and continually upgrading various safety devices. As a result, the Tokaido Shinkansen has had no accidents resulting in the death or injury of passengers on board since its inception, and the number of rail accidents, including those on conventional lines, has decreased significantly since our founding.

As Japan is an earthquake-prone country, there is concern in our market area about the imminence of earthquakes occurring directly beneath the Tokyo metropolitan area and the Nankai Trough. In recent years, addressing the intensification of natural disasters has also become a major issue. Since our establishment, we have been promoting sufficient earthquake and natural disaster countermeasures from both physical and non-physical perspectives and have built resilient infrastructure that can withstand large-scale earthquakes and severe natural disasters by working continually to strengthen our facilities as well as conducting timely and appropriate operations.

S Providing accessible transportation infrastructure

Based on relevant laws, such as the so-called Barrier-Free Act, JR Central has been cooperating with the government and relevant municipalities to jointly develop, maintain and improve rolling stock and facilities to enable all passengers to use railways safely and with a sense of security. We will make continuous efforts to address the ever-changing demands of society as appropriate.

We also believe that providing overseas visitors with a chance to visit the rich tourist attractions along our railway lines is an important issue from the perspective of increasing railway revenues and revitalizing local regions along the lines. Therefore, JR Central is implementing a variety of marketing measures to encourage tourists to Japan to enjoy the areas along our railway lines casually and conveniently. We are also working on increasing and enhancing facilities and services to ensure smooth access for overseas visitors to our stations and railways. We will continue to make every effort to ensure that our stations and trains are safe and accessible.

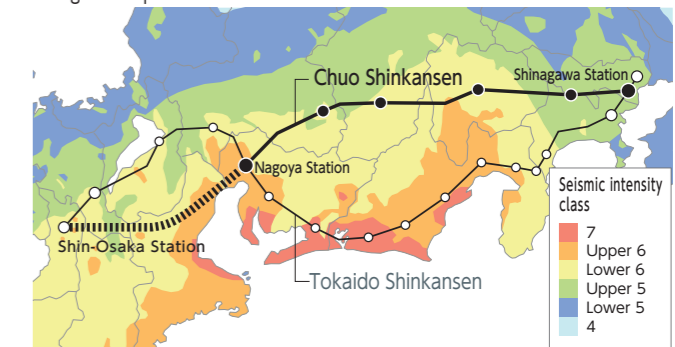
Social Environment Governance



In terms of systems, we are taking measures such as creating dual systems for equipment and securing backups to ensure that service provision to customers and the execution of internal operations are not disrupted in the event of an earthquake or other disaster or due to system failures. We have also taken all possible measures to protect against cyber attacks, including setting up systems critical to train operations as independent systems with no contact with the outside.

Additionally, we are promoting the Chuo Shinkansen Project using the Superconducting Maglev System to make Japan's main transportation artery a dual system as a fundamental measure against the aging of the Tokaido Shinkansen and potential major disasters. This will allow us to further reduce management risk to stabilize our management base and continue to fulfill our founding mission of serving as Japan's main transportation artery.

Distribution map of the estimated greatest seismic intensity of a huge Nankai Trough earthquake



Source: Prepared by JR Central based on "Countermeasures against a Large Nankai Trough Earthquake (Final Report)" by the Central Disaster Management Council (May 2013)



Wheelchair space on N700S



S Local community revitalization

In addition to the Tokaido Shinkansen, which supports Japan's economy and society, JR Central operates conventional lines, mainly in Nagoya and Shizuoka, and develops related businesses mainly in these areas in an integrated manner, thereby fulfilling its mission as social infrastructure that supports people's lives. The conventional lines operated by JR Central, encompassing 12 railway sections, cover approximately 1,400 km in operating kilometers, which is approximately 2.5 times the distance of the Tokaido Shinkansen, and play a role as a means of transportation for daily life, including commuting to and from work and school. While increasing the frequency of services and launching new types of rolling stock, we have been working to maintain our transport network and provide services that are easy to use, complementing each other in combination with the Tokaido Shinkansen. We are also working to revitalize local communities through sales and marketing in coordination with the communities along our railway lines.

Railway stations, where train passengers and many other people gather, are important hubs for local communities, and at the same time, they are important management resources for JR Central. By making the most of these management resources and operating office, commercial, hotel and other businesses in such excellent locations, stations will become more lively, leading to increased use of railways. At the same time, the increase in railway use due to improvements in transportation services will contribute to the growth of our related businesses that we operate at stations. We believe that working together with Group companies to realize such synergies between railway and related businesses will boost the movement of people and revitalize economic activities in the region. An example of this is the formation of skyscrapers around Nagoya Station over the past 15 years and the significant change in the flow of people in the Nagoya district. Further development is expected with the launch of the Chuo Shinkansen.

Development of the Nagoya Station area



Immediately after JR Central's establishment



After the completion of JR Gate Tower



S Human resource development and creation of a rewarding workplace

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, we strive to improve engagement* and maximize our corporate value by actively promoting human resource development and the creation of a rewarding workplace. We conduct an annual engagement survey so that the status of engagement can be monitored regularly and quantitatively.

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



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



S Innovation advancement

In order for JR Central to fulfill its mission and develop in the future, it is essential to build systems and hardware that will serve as the foundation to support daily safe, reliable and comfortable transportation services through technological development. Thus, with the aim of addressing various technological issues in an integrated and comprehensive manner, we have been engaged in systematic technological development at the Komaki Research Center, which was established in 2002, by setting issues that contribute to company policies, such as ensuring safe and reliable transportation, from a

medium- to long-term perspective. These approaches have resulted in many advanced achievements, such as safety measures against earthquakes and natural disasters, improved services through enhancement of the functions of rolling stock and other equipment, and enhanced environmental performance. In addition, the Chuo Shinkansen Project, as a fundamental measure to strengthen the main transportation artery, is being promoted through the accumulation of technological development at the Komaki Research Center as well as the Yamanashi Maglev Line.

E Environment

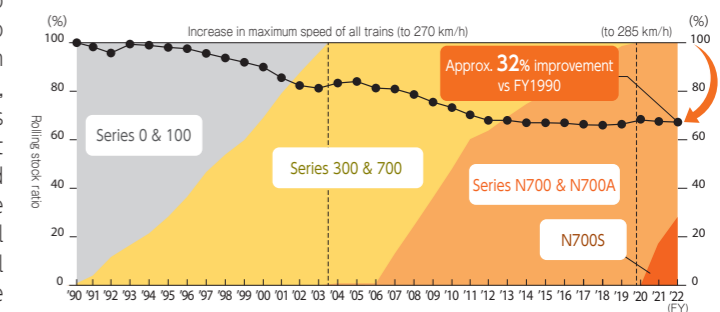
E Global environment preservation

We believe that having as many passengers as possible opt to use railway services, which have a smaller environmental impact than other modes of transport, will reduce the environmental impact of the entire transportation sector and lead to conservation of the global environment. Railways account for only 7% of Japan's CO₂ emissions despite providing 25% of Japan's overall passenger transport volume. JR Central has been working to introduce energy-efficient rolling stock to enhance these characteristics. The latest N700S Shinkansen rolling stock consumes 28% less energy when operating from Tokyo to Shin-Osaka at a maximum speed of 285 km/h compared to the Series 300 (in commercial service from March 1992 to March 2012) when running at a maximum speed of 270 km/h. In addition, compared to an aircraft (B777-200), the Tokaido Shinkansen (Series N700 "Nozomi") consumes approximately one-eighth of the amount of energy per seat when traveling between Tokyo and Osaka and discharges about one-twelfth of the CO₂ emissions. We will continue to improve our transportation services while contributing to global environmental conservation as a corporate responsibility. We will also make efforts to reduce CO₂ emissions further, in line with the

government's 2050 carbon neutrality goal, and improve railway's environmental superiority.

Other measures we carry out to mitigate environmental impact include promoting the effective use of resources through the 3R's (Reduce, Reuse and Recycle) and other initiatives, reducing the release of chemical substances and waste, reducing food loss and recycling materials.

Tokaido Shinkansen's rolling stock ratios and unit energy consumption



G Governance

G Appropriate governance

In the railway business, which is the mainstay of our management, our basic management concept is to steadily implement initiatives necessary to ensure safe and stable transportation, which is our most important issue. We also intend to further reduce our management risks, stabilize management, and secure the interests of all stakeholders, including shareholders, through the Chuo Shinkansen, a large-scale, long-term project we are working on. Since such initiatives require massive long-term capital investment and technological

development, we believe it is vital to manage our business based on a long-term outlook rather than pursuing short-term profitability.

As such, we will engage in our business activities under solid governance that increases the trust of all stakeholders by establishing a corporate culture that places the highest priority on safety and ensures the soundness and transparency of management while at the same time aiming for long-term development as a company.

G Relationships with stakeholders

JR Central's railway business is highly public and has a multifaceted array of stakeholders, including customers, shareholders, employees, business partners and local communities. Therefore, we believe it is important to maintain an overall balance in our relationships with our stakeholders, rather than focusing on just one facet.

We believe that improving the convenience of many users, contributing to the economic and social development of the region and Japan, securing stable profits, returning profits to shareholders, and building long-term stable relationships with employees and business partners will increase the trust of all stakeholders and lead

to our sustainable growth as a company.

| Stakeholders | |
|--------------------|--|
| Customers | <ul style="list-style-type: none"> Safe and comfortable service for everyone Groundbreaking reduction of travel time by the Chuo Shinkansen |
| Shareholders | <ul style="list-style-type: none"> Sustained increase of cash flows Continuation of stable dividends |
| Employees | <ul style="list-style-type: none"> Long-term stable employment environment Active and rewarding workplace |
| Business partners | <ul style="list-style-type: none"> Building long-term, stable, fair and equitable business relationships |
| Local communities | <ul style="list-style-type: none"> Development of the Japanese economy Revitalization of local communities Building a resilient society |
| Global environment | <ul style="list-style-type: none"> Conservation of the global environment by expanding the use of environmentally friendly railways |

Reinforcement of Earning Power by Utilizing Latest Technologies

—Aiming for safer, more convenient, and more comfortable railways—

JR Central is promoting "reform of business operations" to reduce routine costs by 80 billion yen on a non-consolidated basis over 10 to 15 years by establishing an efficient business execution system, and is taking on the challenge of realizing a new concept, "revenue expansion," to reinforce earning power.

In recent years, technologies such as sensing, image recognition, big data transmission and analysis, AI, and robotics have evolved significantly. JR Central is committed to providing safer, more convenient, and more comfortable railway services with greater efficiency by proactively incorporating these technologies to fundamentally transform current transportation services and address future declines in the labor force.

In Highlight 1, we have summarized our future vision of railways and our main initiatives to work toward it. Through these initiatives, we will integrally develop the three generations of railway of the Conventional Lines, Tokaido Shinkansen, and Chuo Shinkansen over the future to vigorously fulfill our mission of "contributing to the development of Japan's main transportation artery and social infrastructure."



Work to improve the environment in stations and Shinkansen trains



Consider enhancing Shinkansen seat categories



Provide new ways to use Shinkansen

More Convenience

- Expand our online reservation and ticketless boarding service to provide customers with a smooth travelling experience.
- Leverage ICT and other latest technologies to enhance means of communication with customers and improve the convenience of transportation services.



Propose new travel styles by using "EX Hotels and Activities," "EX Shinkansen Travel Packages," etc.

More Comfort

- Strive to improve services by understanding the needs of customers and introducing new perspectives and flexible ideas.

Safer Operation

- Improve safety from various angles to continue to provide transportation services that can be used by customers with peace of mind.
- Improve the reliability of transportation services by introducing systems and equipment that use the latest technologies in railway operation and maintenance. Railway personnel will focus on more creative work, such as reflecting local situations and data into planning.



Enable ticketless boarding by expanding the availability of TOICA to all lines and enhancing the online reservation service



Install more ticket machines that can provide guidance through video calls



Driver-only operation will be made possible by installing car-side cameras in certain rolling stock



Install platform doors at all Shinkansen stations



Monitor the condition of tracks and railway line facilities using image recognition and other technologies



Monitor the condition of railcars by using condition monitoring data

1. Safer Operation

Shinkansen

Install platform doors at all Shinkansen stations to increase safety on the platform

Also introduce an automated train operation system (GoA2) to the Tokaido Shinkansen to support the work of train operators

- Assisted by enhanced operations support, the train operator performs a safety check on the platform and opens/closes the door when the train arrives at and leaves each station. In an emergency, the train operator, as the person in charge of the train, supervises conductors and pursers in coping with the situation.
- Conductors focus on supporting customers who are not accustomed to traveling or otherwise need assistance in the train and on patrolling in the train to improve security.



Aiming for the commercial introduction of trains equipped with automated train operation functions* of the automated train operation system (GoA2) around 2028, we are currently conducting running tests.
* Scheduled operation functions, fixed-position stopping functions, etc.

Automated train operation (GoA2)

*GoA:Grade of Automation

- The train operator is stationed in the driver's cab in the first car.
- The train operator starts the train manually.
- Speed control and stopping during operation are automated.

| Automation level (As defined by IEC (JIS)*) | Graphic illustration of operation mode ([] indicates the operator's main tasks) |
|---|--|
| GoA2 | Operator [Starting the train, bringing the train to an emergency stop, guiding evacuation, etc.] |

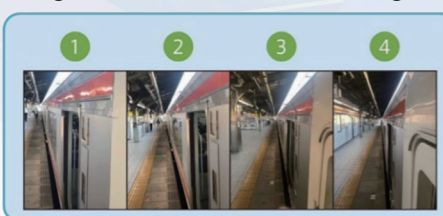
[Reference] Automation levels of railways (edited excerpt from MLIT materials)

Conventional lines

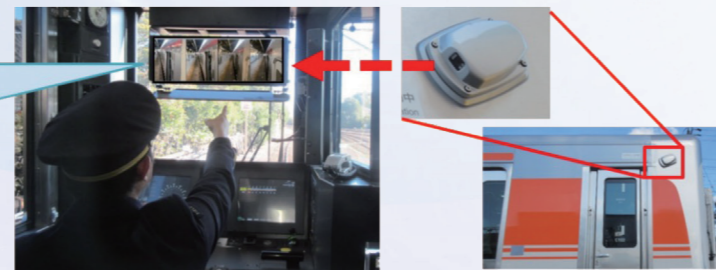
Install cameras to the sides of cars for certain trains of three or more cars to help the train operator ensure safety visually

- The train operator ensures safety by inspecting the images of the cameras installed at each car. In addition, we are considering the use of image recognition technologies to detect passengers who get caught in the train door, fall from the platform, etc.
- Having introduced cars with cameras on their sides to some of the trains of the Kansai Line in June 2023, we are conducting verification tests on regular trains to establish image recognition technologies.
- While considering such measures to increase safety, we will introduce driver-only operation also to trains of three or more cars.

Images of the car-side cameras ① through ④



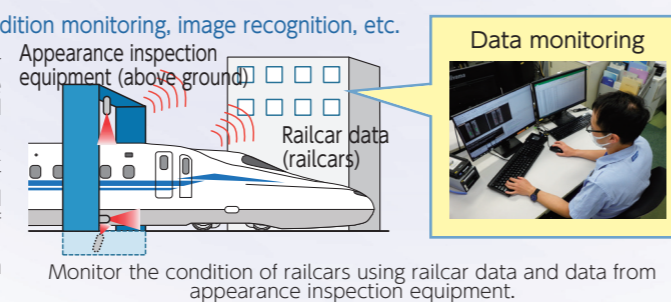
Examples: Detecting any person approaching a train and alerting the train operator with sound



Increase safety and stability by using the latest technologies

Improve the quality of inspection and repair by actively using condition monitoring, image recognition, etc.

- We will improve reliability and efficiency by shifting from manual or visual inspection to diagnosis based on condition monitoring and image recognition and using a system to assist the input of inspection and repair results.
- We will constantly monitor the condition of railcars, railway track facilities, electric equipment, etc., by acquiring data on them in order to make repairs before they break down. As a result, rolling stock and facilities will be maintained in a sound condition, and the occurrence of breakdowns and train delays will be less frequent.
- Our employees will strive to further improve the quality of inspection and repairs through verification based on data analysis.



2. More Convenience

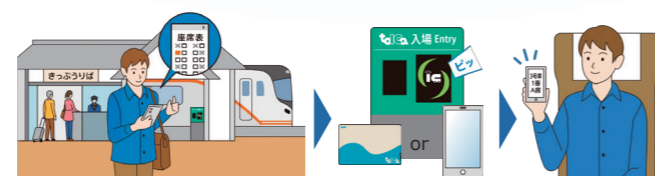
Ticketless services for the smooth use of both Shinkansen and conventional lines

TOICA service will be available on all JR Central lines

We will expand our services in a phased manner to enable passengers to use IC cards issued by railway companies for transportation on all JR Central lines without buying a ticket at a station in advance.

Internet reservation and ticketless services will be expanded

- We will also introduce a service to enable passengers to reserve seats or buy commuter passes using their smartphones anywhere.
- Passengers will be able to use limited express trains on conventional lines without stopping at the ticket office in a station to buy tickets.



Reserve a seat with your smartphone Buy a basic fare ticket with your IC card Buy a limited express ticket with your smartphone

Typical mode of using limited express trains on conventional lines in the future

We will enhance the means of communication with customers at stations

We will expand opportunities for passengers to seek guidance, buy tickets, etc., at stations by using video calls or other means

- We will enhance remote guidance services, such as "reserved seat ticket machines with support functions" and "customer support service," as well as support for ticket purchases.
- There will also be more stations at which passengers can buy tickets early in the morning and late at night.
- The "customer support service," which has already been introduced to the Taketoyo Line, the Tokaido Line (from Obu Station to Toyohashi Station), the Kansai Line (from Nagoya Station to Kuwana Station), and the Iida Line (Ushikubo Station) will also be introduced to the Tokaido Line (from Nagoya Station to Maibara Station) and the Chuo Line (Kachigawa Station) around February 2024.



We will install more ticket machines that can provide guidance through video calls



Station attendants will focus on services that require in-person interactions

For more convenient business trips and leisure travel

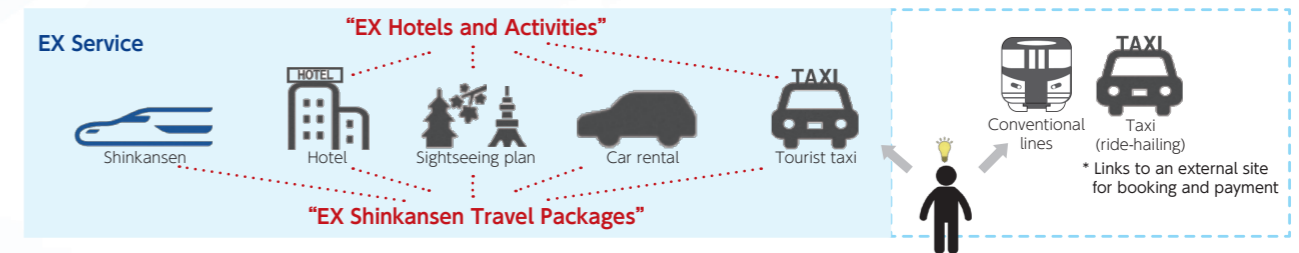
We revised the prices of certain services together with the service enhancement of EX Service and Japan Rail Pass

We have made Tokaido Shinkansen seats available for reservation up to one year in advance since October 2023, in addition to the introduction of "EX Hotels and Activities," a service to enable customers to seamlessly make reservations and payments not only for Shinkansen, but also for lodging facilities, sightseeing plans, car rentals (excluding some car rentals), tourist taxis, etc., within the EX Service website, and "EX Shinkansen Travel Packages," the first travel product in Japan that combines reservations for Shinkansen seats, lodging facilities, etc., which can be changed until immediately before boarding.

We have also enhanced Japan Rail Pass, a product for foreign travelers visiting Japan, to allow them to use the pass also for Nozomi trains provided that they purchase "Nozomi/Mizuho tickets effective only for Japan Rail Pass users" before boarding. In addition, tourist facilities throughout Japan have started discounts and other services for customers who have a Japan Rail Pass.

In conjunction with the enhancement of existing services and products, we have revised the prices of "Express Reservation" and "Japan Rail Pass."

Booking and payment **Can be completed within the "EX Service" website** for accommodation, sightseeing plans, car rentals (excluding some car rentals), etc., in addition to Shinkansen tickets!



"EX Hotels and Activities" / "EX Shinkansen Travel Packages"

3. More Comfort

Provision of high value-added services to meet diverse needs

We will consider enhancing seat categories by promoting development of workspaces inside stations and Shinkansen cars

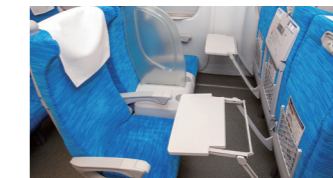
We have been operating "EXPRESS WORK" at stations and other locations since 2021. In order to accommodate different workstyles of customers, we provide the following three types of services: "EXPRESS WORK-Booth," "EXPRESS WORK-Lounge," and "EXPRESS WORK-Office" as paid workspaces. In view of the steady increase in use of EXPRESS WORK-Booth, a private booth-type workspace, we have installed them at all Nozomi stations as well as at some Hikari stations in 2022 and have installed more booths at some Nozomi stations with higher use rates in 2023.

We are also installing private-type "business booths" inside cars, which can be used for short meetings, web conferencing, telephone calls, etc. In addition, we have installed a partition on some B seats in Car No. 7, which is designated as "S Work Car," to increase the separation between the seats on both sides. These seats are sold as S Work P Seats for the price of a

reserved seat in a regular car (using EX Service) plus a surcharge.

As explained above, by further enhancing the environment to enable passengers to work seamlessly before and after getting on the train, we are working to increase added value.

We are also considering providing a superior class to Green Cars to make travel even more comfortable.



S Work P Seat



Business booth

We provide new ways to use Shinkansen

For Chartered Car Package, a service to allow customers to charter a whole car of the Tokaido Shinkansen to, for example, hold an event of their own, we have received more than 80 orders by the end of September 2023 since the launch of the service, drawing the attention of many customers. For example, chartered cars have been used for the promotion of new products, sporting events, etc., which benefited from full special staging effects by using specially designed head covers, carpets, etc.



Promotion of new products



Sporting events

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 CO₂ 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 CO₂ emissions in 2050 as well as reduce CO₂ 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

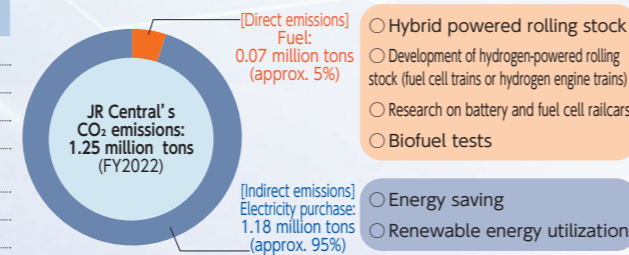
reflect the results of the study on climate change in management, and oversee the efforts to address climate-related issues. In addition, important matters are discussed and reported at the Board of Directors meetings, etc.

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 ₂ 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 CO₂ emissions due to the introduction of carbon pricing, among other factors, we recognize the importance of measures to reduce CO₂ emissions.

Of the 1.25 million tons of CO₂ 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 CO₂ 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.

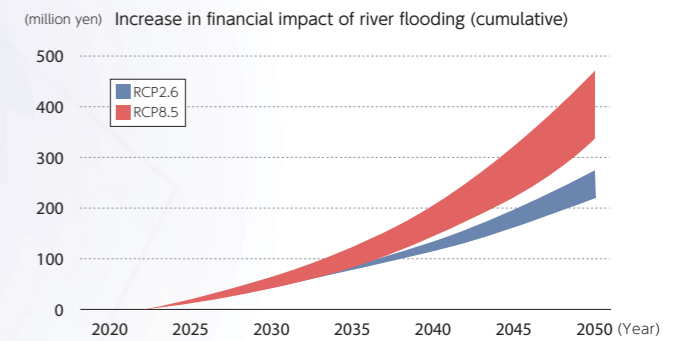
Based on this understanding, we have analyzed the risk of damage to facilities of the Tokaido Shinkansen, which accounts for the largest portion of our transportation revenues, by using hazard maps for design scale rainfall published by the national and local governments^{#1} and found that some of the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

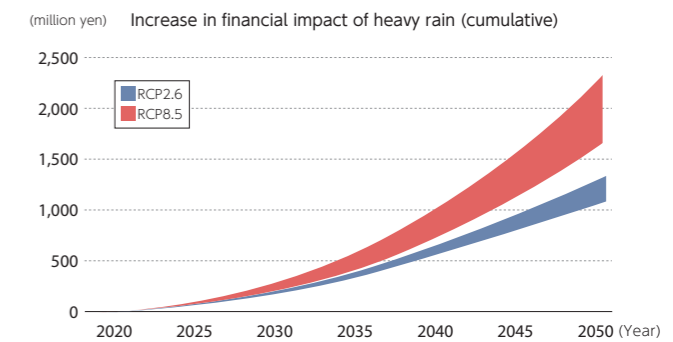
On the other hand, the occurrence frequency of heavy rain may increase in the future due to average temperature rises caused by climate change. In this case, the Tokaido Shinkansen may be subject to increasing probabilities of suspension of service and train delays. In the case of suspension of service, 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

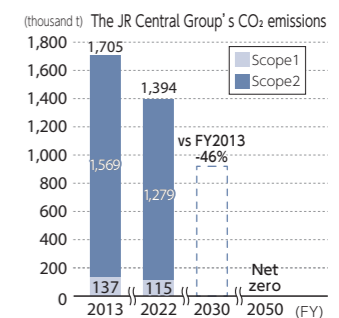
At JR Central, the Corporate Planning Division and the General Technology Division assess and analyze the impact of climate change risks and opportunities on its business in close cooperation with related departments, and formulate and promote countermeasures.

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 CO₂ emissions in 2050 as well as reduce CO₂ 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

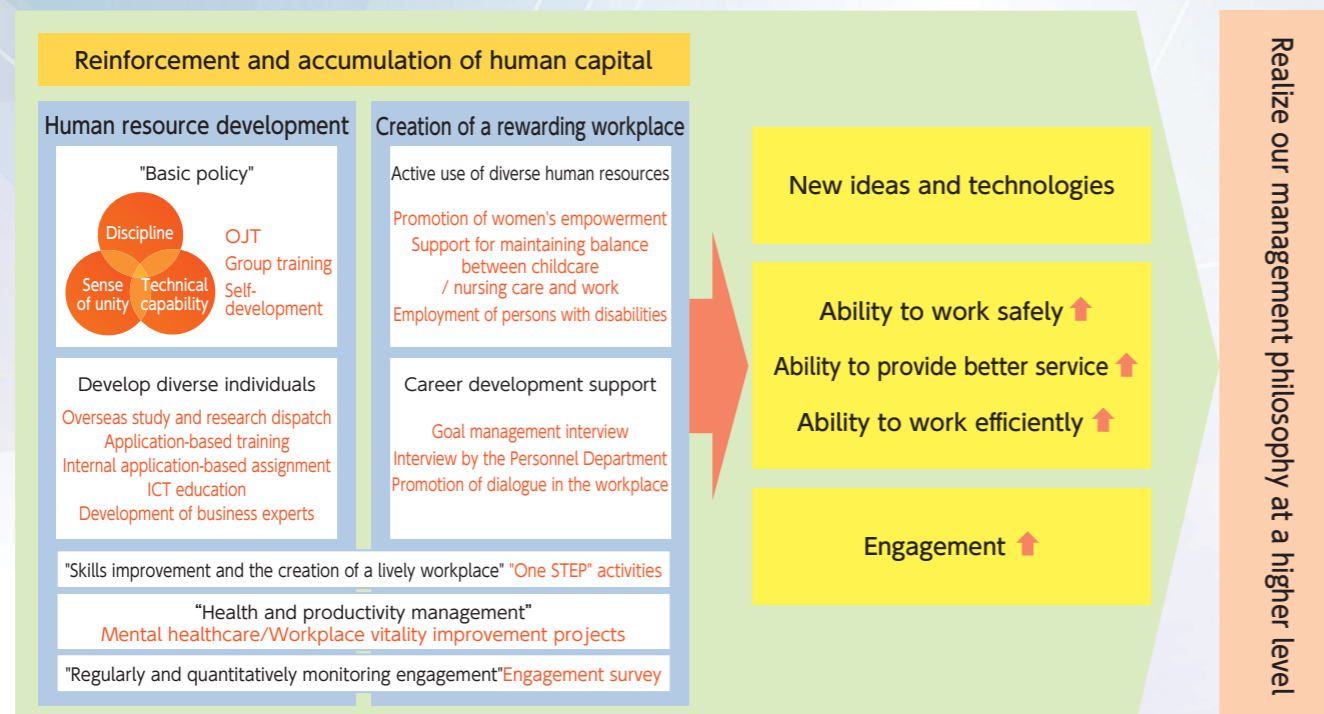
~Human resource development, creation of a rewarding workplace, and health and productivity management~

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

(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

(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

(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

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

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.

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

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

(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

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.

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.

In addition, we have introduced an internal application-based career development program in 2022 for the purpose of identifying motivated

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.



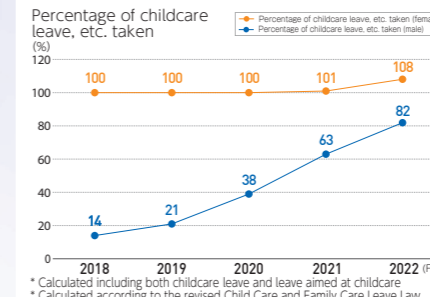
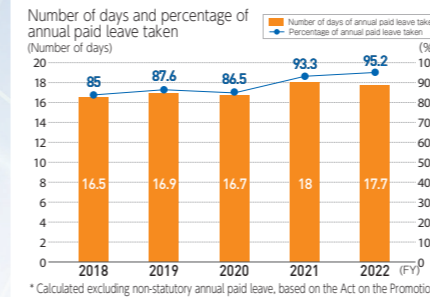
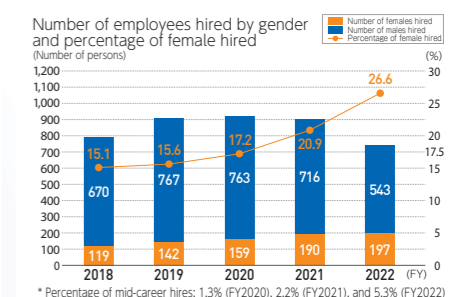
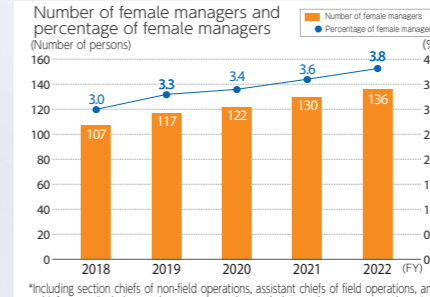
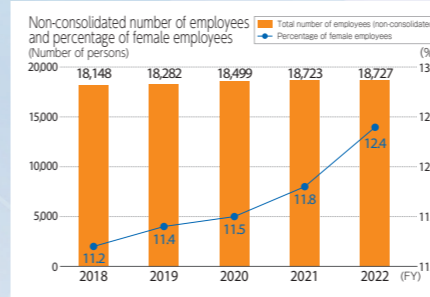
Eruboshi certification based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace (2022)

Positive action plan for promoting women's empowerment

| | | | |
|---|---|---|---|
| 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"> Strengthen public relations for recruitment so that women can envision themselves working at a railway company. Strengthen the hiring of women in all job types. |
| 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. | <ul style="list-style-type: none"> Increase workplaces to which women are assigned in view of the provision of facilities for women. |
| 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) | <ul style="list-style-type: none"> Foster professional mindset among female leaders and support networking outside the Company by sending them on external training courses. |
| | | 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"> Hold seminars with successful women as lecturers in order to introduce role models. Provide training for women aimed at fostering a professional mindset. |
| 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. | <ul style="list-style-type: none"> Provide training for managers, etc. |
| | | Target: Enhance programs that support employees balancing work and childcare. | <ul style="list-style-type: none"> Enhance work arrangements, etc. |
| 5 | We will encourage men's participation in childcare. | Target: Raise the percentage of annual paid leave taken to at least 80%. | <ul style="list-style-type: none"> Encourage employees to take annual paid leave. |
| | | 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"> Strengthen the dissemination of information to male employees on childcare-related programs. |

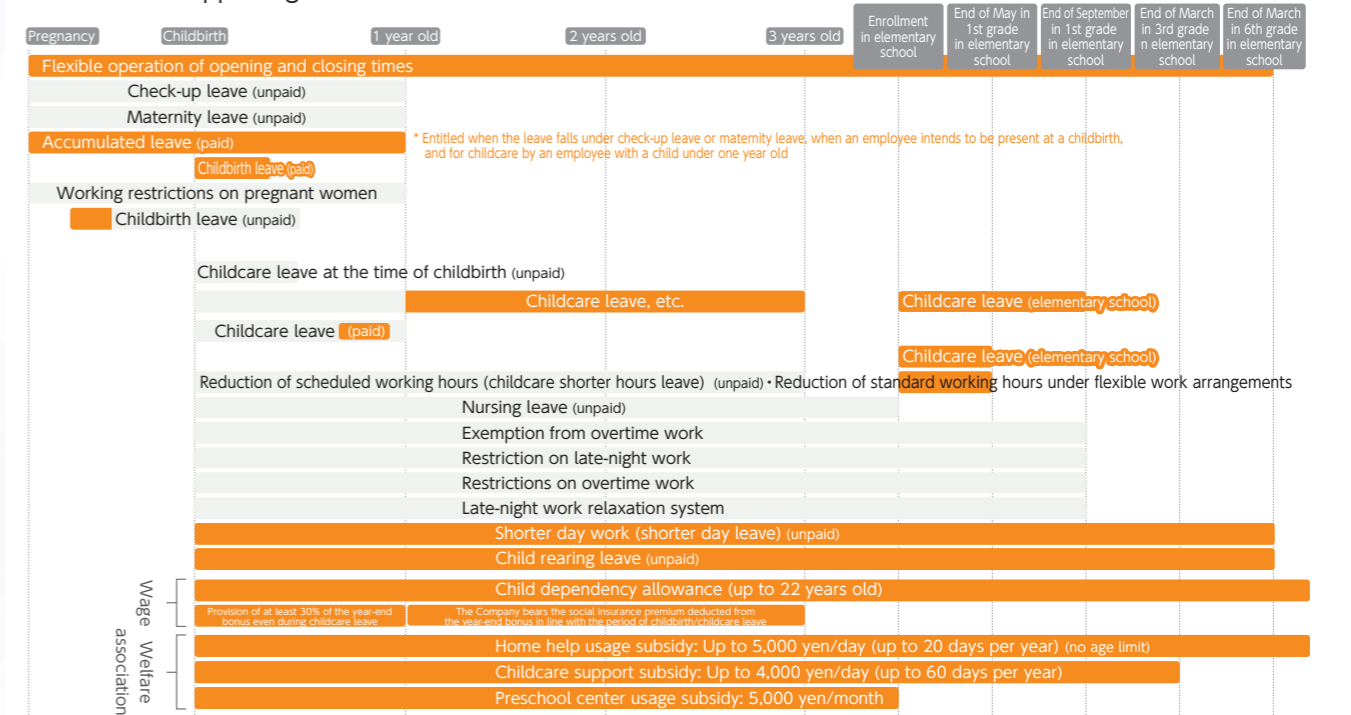
▶ Plan of action for general employers https://company.jr-central.co.jp/others/action_plan/

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"

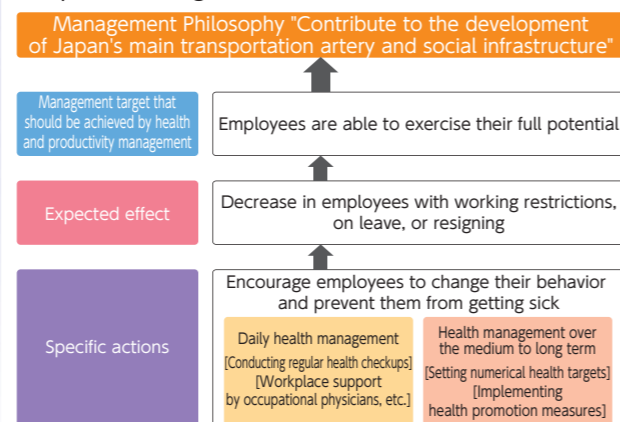
~For Working in a Lively and Continuous Way~

- 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

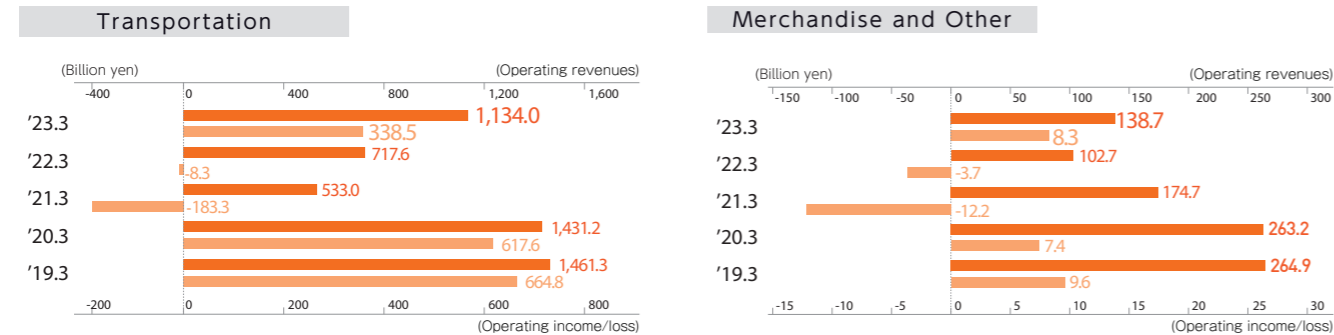
| | Unit | 2018 | 2019 | 2020 | 2021 | 2022 (FY) |
|---|--------|-------------|------|------|------|-----------|
| | | Average age | 37.6 | 37.4 | 37.1 | 36.9 |
| Average years of service | Male | 17.7 | 17.4 | 17 | 16.8 | 16.7 |
| | Female | 9.7 | 10.1 | 10.2 | 10.4 | 10.6 |
| | All | 16.8 | 16.5 | 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 participating in specific health guidance * Participation rate of the first support program | 83.1% | 80.3% |
| | Employees at high risk (continuing to receive treatment) | 22.4% | 20.2% |
| 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% | 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"> •Mental health seminar (offered in various training programs, etc.) •Lectures on health by occupational physicians or public health nurses (held at workplaces) •Appointing staff in charge of health promotion at each workplace and holding training sessions for them | | |

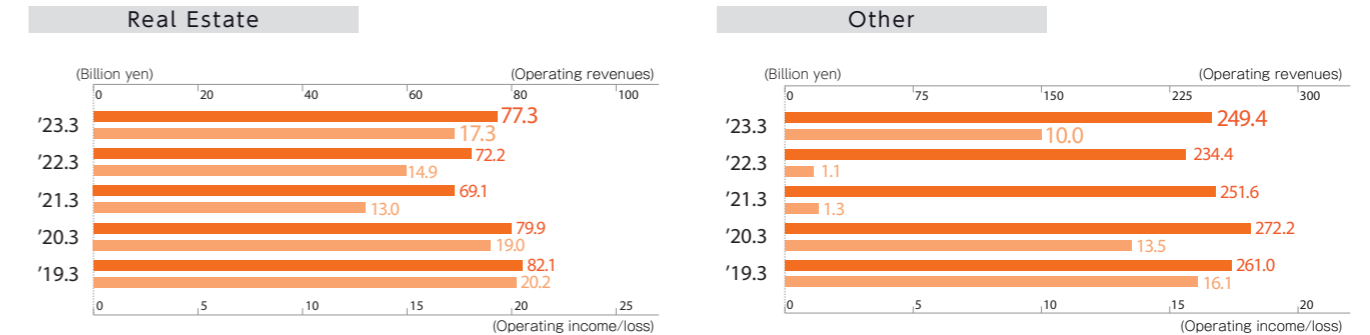
Generating "Economic Value"

Financial Data

Operating Revenues and Operating Income (Loss) of each Segment



*1 Operating revenues of each segment include the amount of sales to other reportable segments as well as the amount of sales to external customers. *2 Figures for the period between FY2021.3 and FY2023.3 have decreased because of the impacts of the COVID-19 pandemic. *3 For Merchandise and Other, the accounting standards for revenue recognition have been applied since FY2021.3.



Comparative Income Statement (Non-consolidated)

| | FY2019.3 | FY2020.3 | FY2021.3 | FY2022.3 | FY2023.3 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| | (Billion yen) | (Billion yen) | (Billion yen) | (Billion yen) | (Billion yen) |
| Operating Revenues | 1,464.8 | 1,436.9 | 541.7 | 726.0 | 1,143.3 |
| Railways Business | 1,452.0 | 1,422.2 | 527.4 | 711.3 | 1,126.7 |
| Affiliated Businesses | 12.8 | 14.7 | 14.3 | 14.6 | 16.6 |
| Operating Expenses | 797.1 | 813.9 | 717.7 | 727.3 | 797.0 |
| Railways Business | 788.7 | 805.4 | 709.4 | 719.0 | 788.3 |
| Affiliated Businesses | 8.3 | 8.4 | 8.2 | 8.2 | 8.7 |
| Operating Income (Loss) | 667.7 | 623.0 | -175.9 | -1.2 | 346.3 |
| Ordinary Income (Loss) | 590.1 | 540.0 | -256.6 | -74.0 | 278.8 |
| Income (Loss) before Income Taxes | 590.1 | 539.9 | -277.8 | -89.4 | 282.9 |
| Net Income (Loss) | 414.0 | 378.8 | -202.3 | -68.1 | 201.9 |

Comparative Balance Sheet (Consolidated)

| | FY2019.3 | FY2020.3 | FY2021.3 | FY2022.3 | FY2023.3 |
|---|---------------|---------------|---------------|---------------|---------------|
| | (Billion yen) | (Billion yen) | (Billion yen) | (Billion yen) | (Billion yen) |
| Current assets | 3,630.6 | 3,382.6 | 3,023.8 | 2,682.7 | 2,712.2 |
| Of these assets, the Chuo Shinkansen Construction Fund Management Trust | 2,670.5 | 2,435.0 | 2,076.1 | 1,813.0 | 1,585.2 |
| Fixed assets | 5,665.0 | 6,220.4 | 6,576.5 | 6,767.7 | 6,802.1 |
| Tangible fixed assets | 4,706.6 | 4,925.1 | 5,176.7 | 5,407.6 | 5,612.6 |
| Intangible fixed assets | 77.5 | 91.1 | 110.4 | 142.0 | 159.4 |
| Investments and other assets | 880.8 | 1,204.1 | 1,289.3 | 1,218.0 | 1,030.1 |
| Total assets | 9,295.7 | 9,603.1 | 9,600.3 | 9,450.5 | 9,514.4 |
| Current liabilities | 650.2 | 625.6 | 824.0 | 737.3 | 729.4 |
| Fixed liabilities | 5,137.4 | 5,105.3 | 5,089.6 | 5,103.9 | 4,977.8 |
| Of these liabilities, long-term debt for the Chuo Shinkansen | 3,000.0 | 3,000.0 | 3,000.0 | 3,000.0 | 3,000.0 |
| Total liabilities | 5,787.6 | 5,731.0 | 5,913.7 | 5,841.2 | 5,707.2 |
| Of these liabilities, long-term debt and payables | 4,851.1 | 4,846.0 | 4,932.6 | 4,941.6 | 4,949.8 |
| Total net assets | 3,508.0 | 3,872.1 | 3,686.6 | 3,609.2 | 3,807.1 |
| Total liabilities and net assets | 9,295.7 | 9,603.1 | 9,600.3 | 9,450.5 | 9,514.4 |

Comparative Income Statement (Consolidated)

| | FY2019.3 | FY2020.3 | FY2021.3 | FY2022.3 | FY2023.3 |
|--|---------------|---------------|---------------|---------------|---------------|
| | (Billion yen) | (Billion yen) | (Billion yen) | (Billion yen) | (Billion yen) |
| Operating Revenues | 1,878.1 | 1,844.6 | 823.5 | 935.1 | 1,400.2 |
| Operating Expenses | 1,168.3 | 1,188.4 | 1,008.2 | 933.4 | 1,025.7 |
| Operating Income (Loss) | 709.7 | 656.1 | -184.7 | 1.7 | 374.5 |
| Ordinary Income (Loss) | 632.6 | 574.2 | -262.0 | -67.2 | 307.4 |
| Net Income (Loss) before Income Taxes | 630.2 | 573.4 | -268.5 | -66.7 | 306.1 |
| Net Income (Loss) Attributable to Owners of the Parent | 438.7 | 397.8 | -201.5 | -51.9 | 219.4 |

Comparative Cash Flow Statement (Consolidated)

| | FY2019.3 | FY2020.3 | FY2021.3 | FY2022.3 | FY2023.3 |
|--|---------------|---------------|---------------|---------------|---------------|
| | (Billion yen) | (Billion yen) | (Billion yen) | (Billion yen) | (Billion yen) |
| Cash flows from operating activities | 600.3 | 595.2 | -169.3 | 71.7 | 486.7 |
| Cash flows from investing activities | -597.5 | -552.4 | -134.7 | -153.0 | -175.0 |
| Payments for purchases of tangible/intangible fixed assets, etc. | -397.8 | -459.0 | -493.5 | -478.1 | -445.2 |
| Proceeds/expenditures concerning the Chuo Shinkansen Construction Fund Management Trust (net amount) | 170.3 | 235.5 | 358.8 | 263.0 | 227.7 |
| Proceeds/expenditures from fund management (net amount) | -370.0 | -328.9 | — | 61.9 | 42.4 |
| Cash flows from financing activities | -33.6 | -32.9 | 262.6 | -19.1 | -220.6 |
| Net increase in cash and cash equivalents | -30.8 | 9.7 | -41.4 | -100.4 | 91.0 |
| Cash and cash equivalents at beginning of period | 782.4 | 751.6 | 761.3 | 719.9 | 619.4 |
| Cash and cash equivalents at end of period | 751.6 | 761.3 | 719.9 | 619.4 | 710.5 |

Financial Statement Ratios (Consolidated)

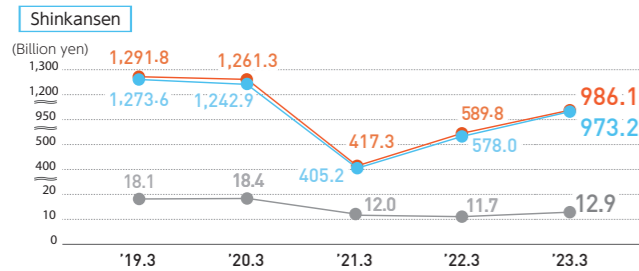
| | FY2019.3 | FY2020.3 | FY2021.3 | FY2022.3 | FY2023.3 |
|-------------------------------|----------|----------|----------|----------|----------|
| Return on Equity | 13.4% | 10.9% | -5.4% | -1.4% | 6.0% |
| Net Income/Operating Revenues | 23.4% | 21.6% | -24.5% | -5.6% | 15.7% |
| Operating Income/Total Assets | 7.8% | 6.9% | -1.9% | 0.0% | 3.9% |
| Equity Ratio | 37.3% | 39.9% | 37.9% | 37.7% | 39.5% |
| Earnings per Share | ¥2,238 | ¥2,027 | -¥1,025 | -¥263 | ¥1,114 |
| Dividend per Share | ¥145 | ¥150 | ¥130 | ¥130 | ¥135 |

* Some figures for the period between FY2021.3 and FY2023.3 have been affected by the COVID-19 pandemic.

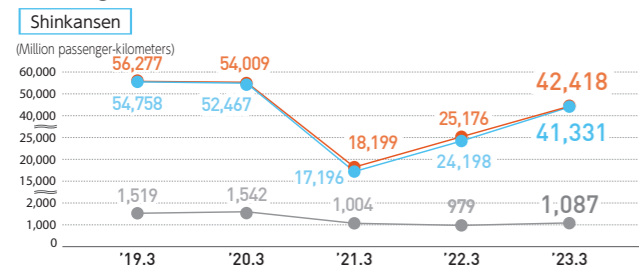
Financial Data

Transportation and Financial Information

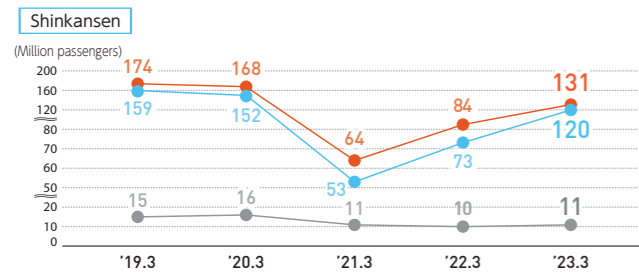
Transportation Revenues



Passenger-kilometers

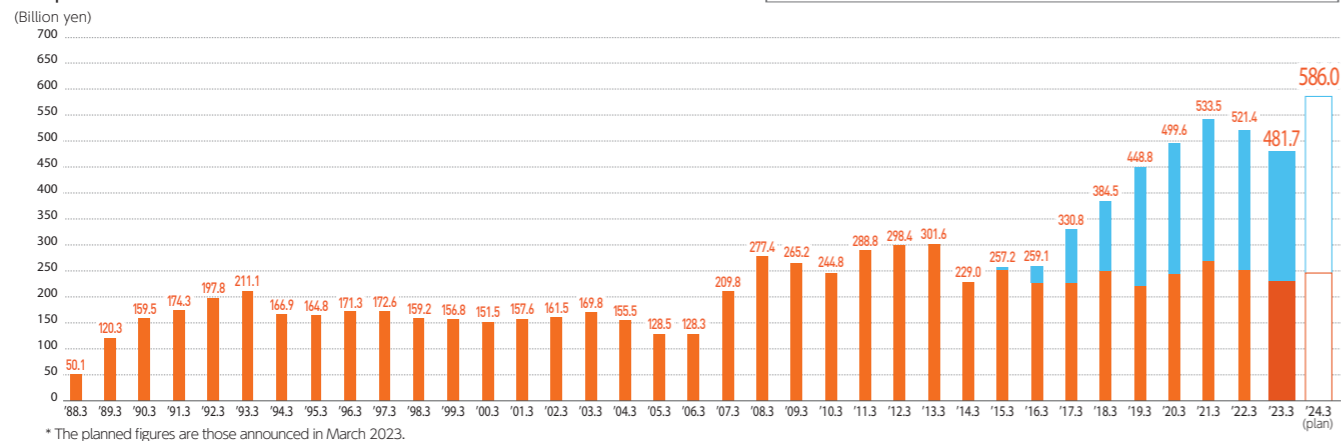


Passenger Ridership



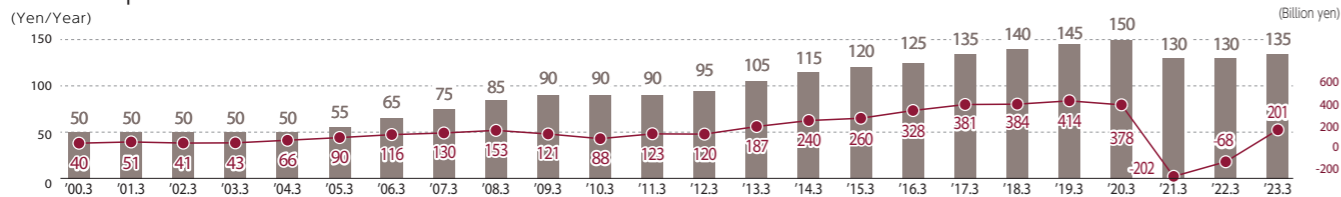
* Figures for the period between FY2021.3 and FY2023.3 have decreased because of the COVID-19 pandemic.

Capital Investment Amounts (Non-consolidated)



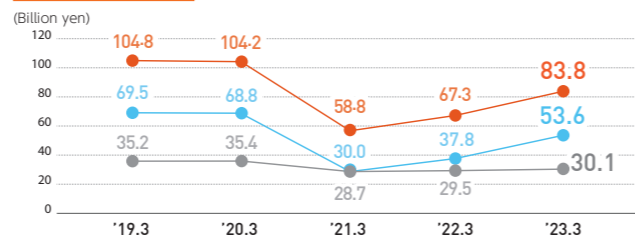
* The planned figures are those announced in March 2023.

Dividend per Share

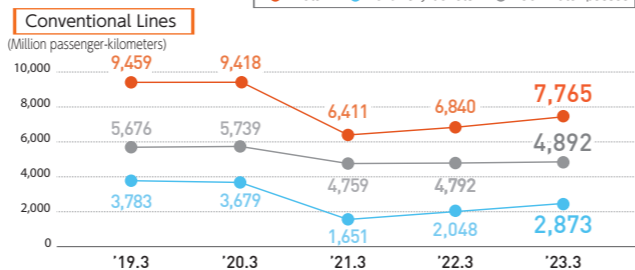


*1 With respect to the amount of dividend per share for FY2013.3, given the adoption of the unit share system of splitting 1 share of common stock into 100 shares and setting one (1) unit of shares as 100 shares effective October 1, 2012, the amount was calculated on the assumption that the stock split was conducted at the beginning of the period.
 *2 The amount of dividend per share for FY2012.3 and prior is shown by dividing the amount by 100 for the ease of comparison with the amount for FY2013.3 and thereafter.
 *3 Net income (loss) for the period between FY2021.3 and FY2023.3 have decreased because of the impacts of the COVID-19 pandemic.

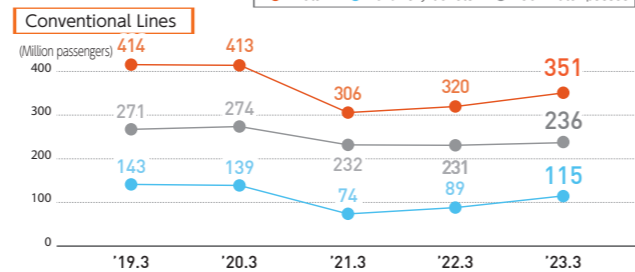
Conventional Lines



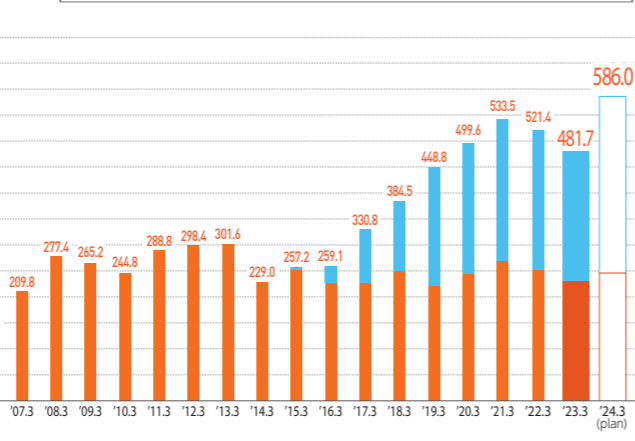
Conventional Lines



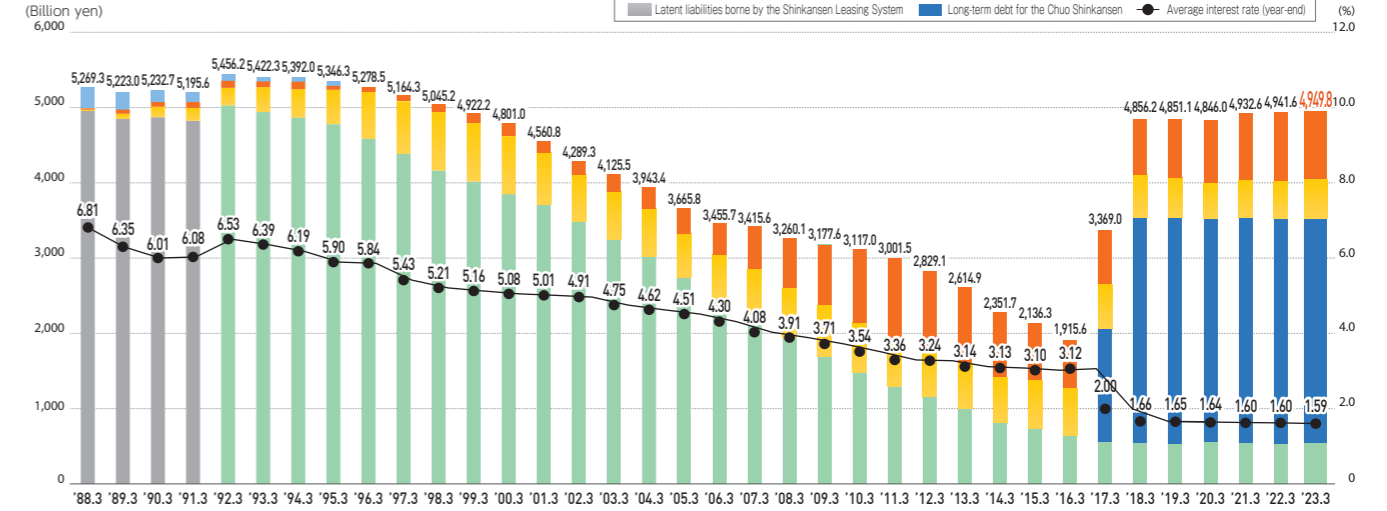
Conventional Lines



Capital Investment Amounts (Non-consolidated)



Long-term Debt and Payables (Non-consolidated)



Long-term Loan Using the Fiscal Investment and Loan Program (Long-term debt for the Chuo Shinkansen)

In November 2016, JR Central applied for a long-term loan using the Fiscal Investment and Loan Program (hereinafter, "FILP Loan") for 3 trillion yen (plan) to Japan Railway Construction, Transport and Technology Agency ("JRJT") to promote the construction of the Chuo Shinkansen. We proceeded to borrow funds in five lots sequentially thereafter and secured financing for a planned total of 3 trillion yen in July 2017.

The advantage we gain from the FILP Loan lies in mitigating three management risks, which are interest-rate increase risk, financing risk, and redemption risk.

Specifically, since we can secure long-term fixed- and low-interest rate funds, we are able to mitigate the risk of interest rates rising in the future and fix interest payments at a low level for a long period of time.

While we expect that the construction cost for the route between Shinagawa and Nagoya will be 7.04 trillion yen, by securing 3 trillion yen out of the amount expected to require new financing through the FILP Loan, we were able to reduce our financing risk.

Furthermore, since the FILP Loan matures after the construction period of the Chuo Shinkansen, during which time a large amount of funds is needed, we are able to build up cash from operating activities to provide for the redemption of liabilities, thereby also mitigating redemption risk.

In the material submitted to the Transport Policy Council of the Ministry of Land, Infrastructure, Transport and Tourism in 2010, we indicated in our outlook that a period of eight years after start of operation in Nagoya will be set to recover management strength. After reducing long-term debt by a certain amount, construction on the route between Nagoya and Osaka will be initiated while seeing that sound management and stable dividends are strictly maintained, and ensuring that

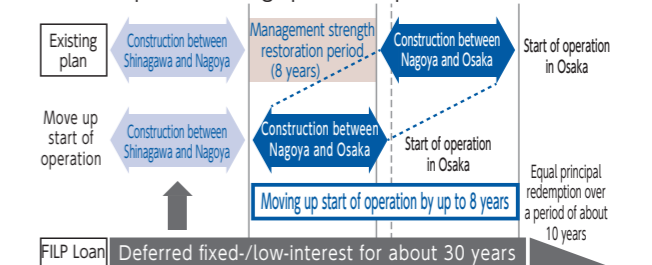
the balance of long-term debt does not exceed 5 trillion yen throughout the project period until start of operation of the entire line. By utilizing this FILP Loan, we are able to reduce this period for restoring management strength and promote construction efforts in an aim to move up start of operation of the entire line by up to eight years.

The Chuo Shinkansen Project is pursued based on the premise that JR Central, as a private corporation, covers the full cost of construction, while securing management autonomy in investment and ensuring that sound management and stable dividends are strictly maintained until the construction work is fully completed. The FILP Loan does not change this premise.

As for the terms of the FILP Loan, the weighted average rate is 0.86%, which is fixed throughout the entire period, and the annual interest expenses are 25.7 billion yen. The repayment method is equal principal payment over a period of roughly 10 years after deferring the payment of principal for about 30 years.

The funds procured from the FILP Loan will be applied only for the cost of construction of the Chuo Shinkansen, and the transparency is ensured in fund management by the trust.

Illustrated plan of moving up start of operation



Creating "Social Value" –Social–

Building Safe and Resilient Infrastructure

Ensuring safe and reliable transportation is a prerequisite for all business development and marks the foundation of the railway business; therefore, we have consistently given top priority to this issue. Specifically, with regard to the Tokaido Shinkansen as the main transportation artery of Japan and the conventional lines as social infrastructure, we are building a safe and resilient infrastructure by promoting various safety measures in both physical and non-physical aspects to support Japan's economic and social activities in a sustainable manner.



Number of accidents resulting in fatalities or injuries to passengers on board since Tokaido Shinkansen began operation:

0

Total safety-related investment since the company's foundation:

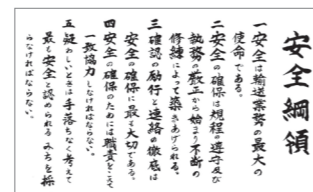
4.4 trillion yen

General Principles of Safety

JR Central has the General Principles of Safety as the basic spirit for employees involved in transportation safety. It was established following a 1951 accident at Sakuragicho Station on the Keihin-Tohoku Line while we were operating as part of Japan National Railways. The principles specifically state that the correct mindset and moral awareness and attitude are needed for all employees to do their utmost to ensure safety and protect human lives above all else, regardless of their job responsibilities, because the railway business is an important service with the responsibility to safeguard precious lives and assets.

As a result of various safety efforts, especially the Tokaido Shinkansen

line, which has been used by about 6.8 billion passengers, has had no accidents resulting in the death of passengers since the start of its operation in 1964. We will continuously work to maintain safe and reliable transportation as our top priority, aiming to achieve it at even higher levels



General Principles of Safety

▶ Safety Report <https://company.jr-central.co.jp/others/report/>

Basic Approach to Safety

Under the philosophy of the General Principles of Safety, we established the "Basic Approach to Safety" and are abiding by it. We maintain safety through "people," "structure" and "equipment," and what forms the basis is the culture of prioritizing safety. The diagram on right describes a structure whereby a culture in which safety is prioritized above anything else is firmly established and all individuals practice safety-first behavior, upon which each of the three elements of "people," "structure" and "equipment" support safety.

The first pillar of "people" represents ongoing efforts to enhance the ability of employees to detect risks and changes and deal with them without fail on their own initiative, and the ability to deal with difficult situations through effective education and training.

The pillars of "structure" and "equipment" respectively represent ongoing efforts to ensure adherence to, and review, "structures," including rules and handling, by accurately grasping situations on the ground from the correct perspective regarding safety and looking into weaknesses based on changes in the environment, signs and lessons learned from

others, and improve the safety of "equipment" by introducing new technologies, including predictive management methods. We are working to maintain safety while continuously reviewing and enhancing these two pillars, along with the pillar of "people," as "structures for safety."



Priority Execution Items for FY2023

In order to systematically and intensively promote train and industrial accident prevention measures, priority execution items are determined every fiscal year. For FY2023, we designated "adherence to rules by everyone," "thorough checks," "education and training with enhanced

quality," "advance elimination of risks," and "practice of safety-first actions in emergencies" as the five priority execution items. All employees are working together to eradicate serious train accidents and industrial accidents from both physical and non-physical perspectives.

Safety Management System

Operational system to ensure transportation safety

Based on the Railway Business Act, JR Central established the Safety Management Regulations in September 2006, which summarize the rules to be observed for ensuring transportation safety, with the aim of maintaining and improving safety levels. These regulations specify the operational system for ensuring transportation safety and the responsibilities of safety managers.

As the key safety manager, the President is the first to make important

decisions regarding operational safety. In addition, the general safety manager, operation managers, and crew guidance managers have been designated, and their respective responsibilities have been determined. The roles of head office managers in ensuring transportation safety have been clarified, and safety measures have been systematically established and promoted under a consistent system.

Responsibility of key safety managers

| Title | Responsibility |
|------------------------|--|
| President | Decides important matters related to operational safety. |
| General safety manager | <ul style="list-style-type: none"> Ensures that all employees are fully aware of the importance of safety and comply with laws and regulations to ensure transportation safety. Provides opinions to the President on necessary improvements to ensure transportation safety. Confirms the status of systems related to ensuring transportation safety as needed, and expresses opinions on improvements to head office managers who are in charge of the main operations related to ensuring transportation safety, as necessary. Supervises and manages other matters related to ensuring transportation safety. |
| Operation manager | In order to ensure transportation safety, requests reports and gives instructions as necessary concerning the formulation of transportation plans, makes decisions on the operation of train crews and rolling stock, train operation control, training of train crews and maintenance and management of their qualifications. |
| Crew guidance manager | Trains crew members and maintains and manages their qualifications. |

Safety Promotion Committee

In order to have a focused deliberation of matters regarding the prevention of railway operation accidents, industrial accidents and disasters and design and promote effective measures, we have established the Railway Safety Promotion Committee at the Head Office, which meets once every month, and sets up specialized committees whenever

necessary to intensively deliberate on the matters assigned to them. Furthermore, each Operations Division and Branch Office has a Safety Promotion Committee. We make sure all staff at field offices are aware of the matters decided by the Safety Promotion Committee through the Regional Safety Promotion Committee.



Safety Audit

Safety audits are conducted at JR Central's business organization and affiliate companies to prevent train accidents and labor accidents. These audits are performed based on three basic policies: confirmation of the level of compliance with laws and regulations, etc., confirmation of measures in place to prevent train and industrial accidents, and prevention of recurrence of the kind of train and labor accidents whose details have

been investigated. In audits, we verify the actual status of daily operations by checking sites where work is being carried out and the documents related to inspections, construction, etc., and share the results. Through these audits, we are working to prevent violations of laws and regulations, the forgetting of past countermeasures in response to past accidents, and lapses of rules before an incident occurs.

Initiatives for Human Resources to Ensure Safety

In order to maintain safety it is essential, as the basic premise, to develop human resources with high technical capabilities, a strong will, and the correct values to support safety. In developing human resources, we believe it is important to observe our own rules ("discipline"), to maintain

and improve quality and prevent accidents ("technical capability"), and to gain a "sense of unity" by collaborating and cooperating with related employees and by fulfilling personal responsibilities. Focusing on these issues, we are engaged in employee training and education.

Technical skills training

We implement safety education and training for staff engaging in train operations and facility maintenance. We conduct education and training especially for staff engaging in train operations (such as drivers, conductors and directors) according to the content and time stipulated for each duty.

We introduced simulators, which can perform operations simulation training, etc. for emergencies, to field offices for drivers and conductors. We also conduct various training sessions using actual rolling stock and railway lines, so that employees on each system can swiftly and accurately respond to emergencies.



Training for recovery from derailment

Emergency condition response training

In FY2022, we conducted practical training to improve technical capabilities and enhance collaboration between related lines and affiliated companies, aiming to ensure capabilities for rescue of customers and early restoration in times of major disasters and contingencies.

Employee training in preparation for contingencies

We train all employees to go beyond the call of duty in working together with the train crew, etc., to respond appropriately should employees happen to be present when unforeseen circumstances occur while commuting or on a business trip.



Employee training in preparation for contingencies

Other training

The General Education Center offers education on specialized knowledge and skills for each function, and provides sessions for various qualifications and training for train conductors and drivers by using a variety of training facilities that can simulate various events that can occur in actual situations.



Training for Shinkansen conductors

➤ Building Safe and Resilient Infrastructure

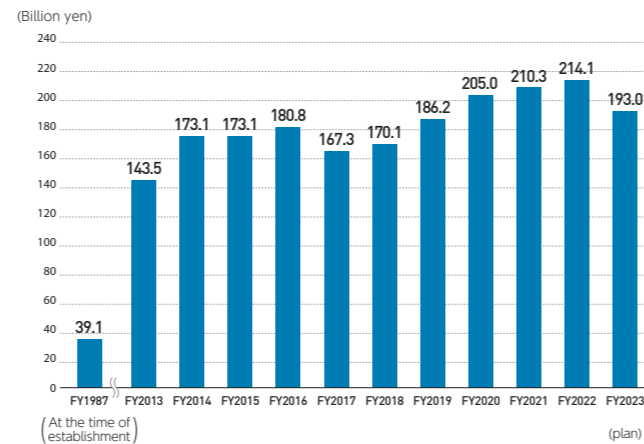
➤ Capital Investment for Safety

JR Central has actively implemented capital investment related to safety since its establishment. In the 36 years up to FY2022, we have made safety-related investments totaling over 4.4 trillion yen, including safety measures such as updating the Automatic Train Control (ATC) on the Tokaido Shinkansen, and introducing ATS-PT (Automatic Train Stop) in all of our conventional lines, as well as disaster prevention measures such as seismic reinforcement, improvements in electrical equipment, replacement of rolling stock, and the introduction of efficient and effective inspection machines and systems.

In FY2023, we will continue to place top priority on ensuring safe and reliable transportation, which is the starting point of our railway business. In order to further reinforce structures along with earthquake countermeasures, JR Central will pursue derailment and deviation countermeasures for the Tokaido Shinkansen by implementing derailment prevention guards for the entire line. We will also proceed with the seismic reinforcement of platform sheds, the implementation of measures to prevent suspended ceilings at stations from falling in the event of an earthquake, rebuilding of the Nagoya rolling stock repair and inspection depot, and reinforcing the quake resistance of elevated track columns of conventional lines, etc. Furthermore, we are conducting research and design work in preparation for the installation of automatic platform doors in all Shinkansen stations and, for conventional lines, are advancing the work to install such doors on Platforms 5 and 6 (outbound Tokaido line) and Platforms 7 and 8 (Chuo line) at Nagoya Station. As

a result of these efforts, about 80% of the total capital investment in Tokaido Shinkansen, conventional lines, and affiliated businesses, or 193 billion yen, is planned as safety-related investment.

Trends in safety-related investment



➤ Large-scale Renovation

Tokaido Shinkansen

Our civil engineering structures are sufficiently maintained through thorough daily inspections and repair. However, in future, it will be inevitable to replace many of the facilities due to aging. We received the approval of the Minister of Land, Infrastructure, Transport and Tourism for our allowance reserve plan for the large-scale renovation of Shinkansen infrastructure for the Tokaido Shinkansen based on the Nationwide Shinkansen Railway Development Act, and began building the reserve from 2002. Along with this, we have advanced our research on a new construction method, led by our Komaki Research Center. As a result of our R&D efforts, we developed a new construction method that allows us to significantly reduce the impact on train operations during construction work, and to considerably cut construction costs. With this method in place, JR Central began the renovation work in FY2013, ahead of the original schedule. In construction work, we begin with the implementation of measures to extend the life of structures by inhibiting the occurrence of cracking and other damage from aging (measures to inhibit aging damage) and, if necessary, overall renovations such as the replacement of girders

(overall renovation) are implemented.

The reserve of 350 billion yen accumulated by FY2012 was appropriated at a rate of 35 billion yen each year beginning in FY2013 until the end of 2022, when the appropriation came to an end.

We will continue to make improvements, etc. to our construction methods, thereby bringing down related costs while steadily advancing construction work.



Large-scale Renovation

➤ Railway Crossing Accident Countermeasures

Conventional Lines

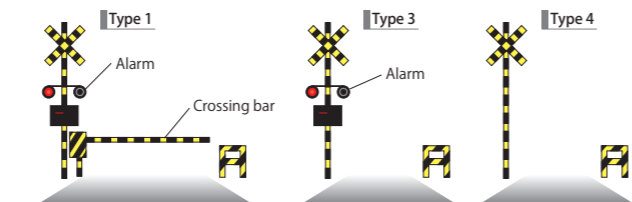
A particularly important factor for improving the safety of Conventional Lines is measures to prevent accidents at railway crossings. We are working to install crossing gates, crossing obstacle detection systems, etc., and are taking such drastic measures as eliminating crossings by, for example, elevating the tracks, for which we negotiate with local governments. As part of effort to prevent crossing accidents, we are also actively working on activities to raise awareness, including crossing accident prevention campaigns.

Improvements to crossing equipment

Crossings are classified by the equipment they have into three types: Type 1, which has crossing gates and alarms, Type 3, which has only alarms, and Type 4, which has neither gates nor alarms.

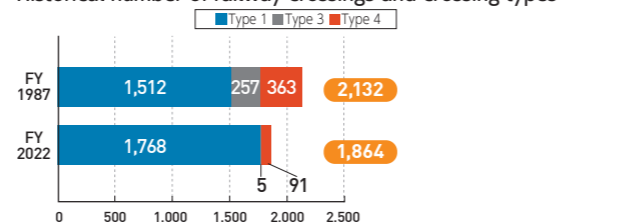
Work to upgrade Type 3 and 4 crossings into Type 1 is under way, considering such factors as the amount of road traffic, the amount of railway traffic, and the situation surrounding the crossing.

Types of railway crossings



* The illustration shows an example.

Historical number of railway crossings and crossing types



Crossing obstacle detection systems

For cases in which a vehicle obstructs a crossing, we install crossing obstacle detection systems that can detect stuck vehicles using infrared or laser beams, and systems that can issue an alert if the crossing gates do not close. If the crossing detects an abnormality, the related signals are made to indicate "stop," and trains are made to stop before they reach the crossing. Starting in FY2022, we have been introducing a high-performance laser sensor crossing obstacle detection system, which has better performance at detecting pedestrians, bicycles, wheelchairs, etc., at crossings where train traffic

is high and that experience high amounts of pedestrian, bicycle, and other traffic.

We also have emergency buttons (crossing trouble alert systems), the pressing of which causes related signals to indicate "stop," thereby alerting train drivers of any abnormality occurring at a crossing.



High-performance crossing obstacle detection system (laser sensor type)

Measures to prevent collision with obstacles

If any abnormality is detected by crossing obstacle detection systems, related signals indicate "stop." In addition, a "crossing ATS

system" that complements the brakes manually operated by the driver has been introduced in phases since FY2021.

➤ Earthquake-Resistance Measures

Tokaido Shinkansen

Implementation of derailment and deviation countermeasures

For the Tokaido Shinkansen, we are promoting derailment and deviation countermeasures to prevent the expansion of damage from derailment caused by an earthquake. We are working to introduce such measures as installation of "derailment prevention guards" which prevent vehicle derailment to the extent possible. We expect to complete the implementation of these measures on the entire line by FY2028. "Deviation prevention stoppers," which prevent a major derailment of rolling stock in the event of a derailment, have already been installed on all of the rolling stock running in our service area.



Derailment prevention guards

Initiatives to stop trains quickly

JR Central adopts an earthquake disaster prevention system* that detects tremors, automatically stops power transmission, and issues orders to moving trains to make an emergency stop. We have also made improvements to the "Earthquake Brake" on rolling stock in an effort to reduce the stopping distance at the time of an earthquake. For the N700S, which we launched in July 2020, we made improvements to the ATC and the brake system to further reduce the stopping distance by roughly 5% compared to the stopping distance of the N700A (3rd edition).

*After introducing the "Urgent Earthquake Detection and Alarm System (UrEDAS)" in 1992 ahead of other companies, we continued to further accelerate the speed of the alarm by introducing the "Tokaido Shinkansen Earthquake Rapid Alarm System (TERRA-S)" in 2005 and started utilizing information from the Seafloor Observation Network for Earthquakes and Tsunamis in April 2019.

Structural Reinforcement

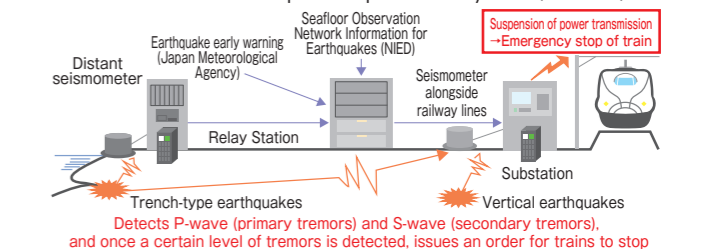
We have been implementing earthquake-resistance measures for various civil engineering structures and buildings so as to prevent Shinkansen services from being suspended for a long period of time in the event of an earthquake. Furthermore, starting in FY2021, we are implementing seismic reinforcement of platform sheds.

Measures taken and progress

| Measures taken | Progress (as of the end of FY2022) |
|---|--|
| Elevated track columns, bridge piers, and embankments | Completed* (Elevated track columns: Approximately 19,600; Bridge piers: Approximately 900; Embankments: Approximately 9.4 km) |
| Bridge railing (fall prevention) | Under way (completed 2,183 beams out of 2,215 target beams) |
| Station buildings / station ceilings / platform sheds | Station buildings: Completed* Station ceilings: Under way (completed at 10 out of a total of 17 stations) Platform sheds: Under way (at 16 stations excluding Shinagawa) |
| Rolling stock workshops, etc. | Completed (Hamamatsu Workshop, buildings at rolling stock depots) |

*Except for some areas under discussion

Tokaido Shinkansen Earthquake Rapid Alarm System (TERRA-S)



Conventional Lines

Reinforcement of structures

In order to minimize the impact of earthquakes, we are implementing earthquake-resistance measures on various civil engineering structures and buildings. Furthermore, as with Shinkansen, starting in FY2021, we are implementing the seismic reinforcement of platform sheds.

Initiatives to stop trains quickly

Information from the aforementioned earthquake disaster prevention system will be used to detect initial weak tremors in case of an earthquake, and provide a warning to the driver's cabin of trains traveling in segments that are likely to be impacted significantly by the earthquake, instructing the driver who receives the warning to apply the brakes immediately. Furthermore, we worked to strengthen the functions of seismometers alongside railway lines since FY2016. As a result, we now can issue warnings to trains more quickly than before.

Measures taken and progress

| Measures taken | Progress (as of the end of FY2022) |
|---|---|
| Elevated track columns, and bridge piers* | Elevated track columns: Under way (completed 5,078 columns previously targeted by the end of FY2017. Since FY2019, 3,338 have been newly added and 1,124 have been completed for the purpose of further early recovery in the event of a disaster.) Bridge piers: Completed (4 target piers) |
| Bridge railing* (fall prevention) | Completed (1,985 target beams) |
| Station buildings / station ceilings / platform sheds | Station buildings: Under way (completed for stations used by at least 5,000 passengers per day, excluding some areas under discussion) Station ceilings: Under way (completed 22 stations of the 30 target stations used by at least 10,000 passengers per day) Platform sheds: Under way (completed three stations of the 24 stations used by at least 10,000 passengers per day, excluding stations requiring no reinforcement) |
| Rolling stock workshops, etc. | Nagoya Workshop: Completed Nagoya rolling stock section: Rebuilding of the repair and inspection depot is under way |

*Earthquake-resistance reinforcements under way in sections including those where there are at least 10 departures per peak hour and where a long, strong earthquake vibration is expected in the case of a Tokai Earthquake

Building Safe and Resilient Infrastructure

Response to Other Natural Disasters

Tokaido Shinkansen Conventional Lines

In addition to earthquakes, the prevention of accidents caused by natural disasters such as tsunamis, heavy rain, typhoons and snowfall is one of the important pillars of our safety measures, and we are implementing various measures.

Tsunami countermeasures

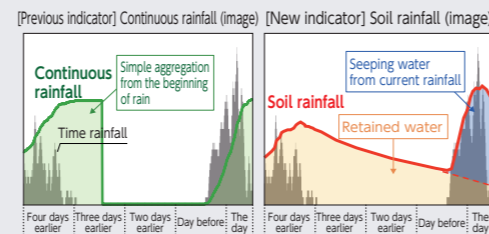
JR Central defines the Conventional Line segments that a tsunami is expected to reach as a "tsunami hazard expected area," based on the tsunami hazard map of each municipality. When a tsunami is expected, first of all, we make arrangements to ensure that no trains enter the "tsunami hazard expected area." For trains already in the area, we move them out of the area or guide passengers to a safe place. In addition, a "tsunami warning sign" has been installed in the area to indicate the direction of evacuation. We also take measures to evacuate quickly by displaying the evacuation route to the nearest evacuation center on tablet devices for conventional line train drivers distributed to train crews. Furthermore, to ensure that these measures can be taken, we make sure that staff are aware of them and conduct evacuation training using actual rolling stock in cooperation with local municipalities.



Evacuation route display on tablet terminal for conventional line train driver

Rain countermeasures

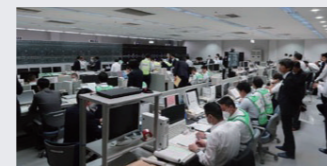
We are taking measures such as protecting the slopes of embankments and cut sections with concrete and other materials, laying drainage pipes to promote drainage, and installing earth and sand stoppers to prevent the inflow of earth and sand. Furthermore, rain gauges are installed along railway lines, and when the amount of rainfall exceeds the regulation value, a warning is automatically issued to the control center, train station, etc., and operation regulations such as stopping or slowing down trains are carried out. Furthermore, in June 2020, we introduced an operation regulation using rainfall radars, which can finely capture "soil rainfall," a superior indicator for grasping the extent of sediment disaster risk, and localized heavy downpour, in all sections of Conventional Lines, thereby securing a higher level of safety.



Operation regulation using "soil rainfall"

Flooding countermeasures

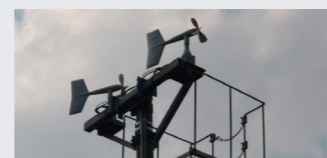
For the Tokaido Shinkansen, we are working to relocate or elevate signal equipment rooms and power equipment, which are important facilities, install anti-flooding doors, etc., and take measures to maintain the necessary vehicle inspection functions to ensure the stable operation of trains against flooding anticipated for railway facilities. In addition, we have plans to evacuate trains in train-parking areas exposed to the risk of being flooded, and regularly conduct train evacuation drills to be able to evacuate trains according to such plans if the risk of damage arises.



Train evacuation drill

Wind protection

Anemometers are installed in areas where wind is concentrated, such as on mountains and bridges, or where gusts are expected to occur. When the wind velocity exceeds a certain value, an alarm is automatically issued to the control center, train station, etc., and as in the case of rain, operation regulations such as stopping or slowing down trains are carried out. In addition, due to geographical and other conditions, some anemometers have an additional function of automatically displaying a stop signal when the wind exceeds the standard.



Anemometer

Measures against landslides

For Conventional Line routes where there is a risk of landslides, we have installed falling rock-retaining walls, rock cover works, and avalanche retaining walls as protective equipment. In addition, if a rock fall or an avalanche is detected by a detector, the train is stopped to prevent accidents.



Falling rock retaining walls and alarm devices

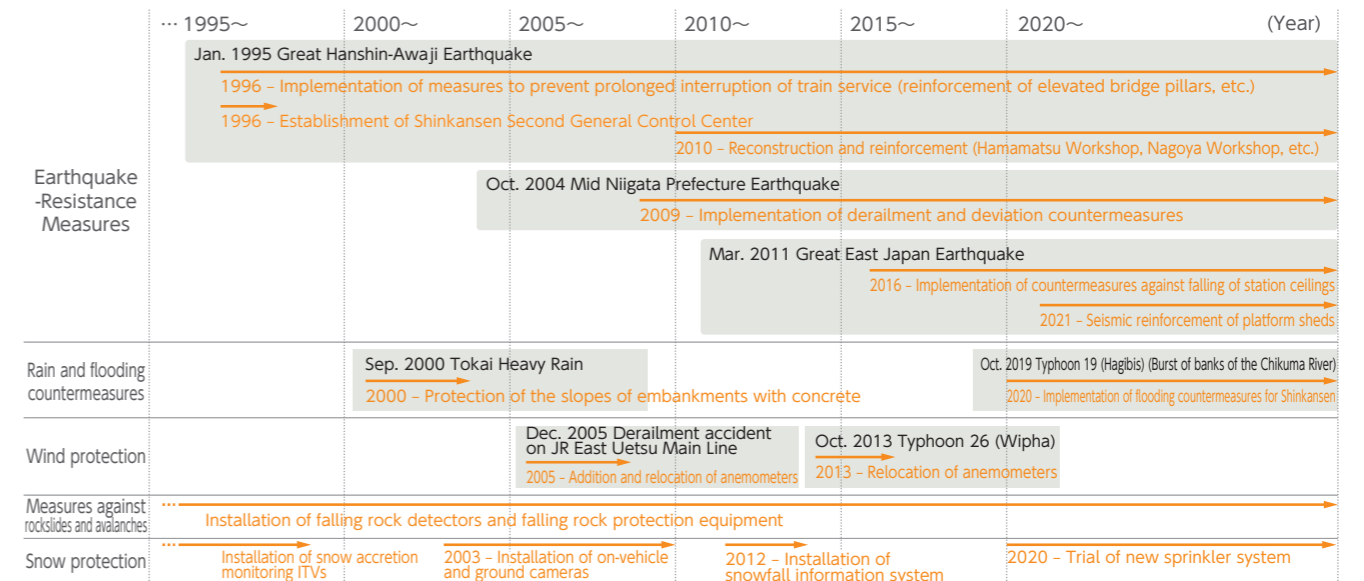
Snow protection

When snow falls or accumulates, Tokaido Shinkansen trains may operate at a lower speed to prevent the equipment below train floors from being damaged, hit by stones of ballast being lifted up when a mass of snow, formed under the train floor by drifts caused by the train's movement, drops onto the tracks. As a countermeasure, we use rotary brush vehicles to remove snow before the first trains. In the particularly snowy Sekigahara section, we have installed sprinklers to moisten snow to prevent drifts from being lifted up. For N700S, measures on the train side to prevent snow from sticking to train bodies have been enhanced, such as changing the shape of the bogie cover. Furthermore, we use ground-installed cameras to monitor the situation of snow sticking to train bogies and ensure trains operate at an appropriate speed. We have also installed a high-pressure washing machine to quickly remove snow stuck to trains at stations.



Preventing snow drifts with sprinklers

Trends in measures against disasters (extracts)

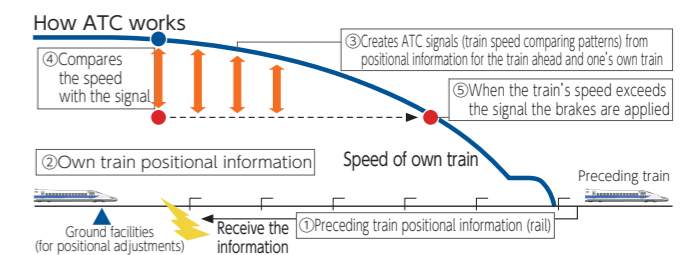


Operation Management and Safety Measures

Tokaido Shinkansen

The principle of Crash Avoidance

The biggest feature of the Tokaido Shinkansen and other Japanese high-speed railway systems is the introduction of an operation control system based on the principle of Crash Avoidance. This principle has been derived to prevent the possibility of a collision by using (1) dedicated tracks for high speed passenger rail service, which have no grade crossings, and (2) an Automatic Train Control (ATC) system, which automatically controls the speed limit of high speed trains and prevents collisions from happening.



Shinkansen General Control Center / Operational control systems

The safe and reliable transportation of the Shinkansen is supported by the Shinkansen General Control Center in Tokyo, where directors work in close collaboration using various systems, such as Computer Aided Traffic Control (COMTRAC*), to accurately grasp a significant amount of information, including the operational status of trains and the utilization status of facilities, control overall transportation services, and manage their safety.

Moreover, the Shinkansen Second General Control Center has been established in Osaka jointly with JR West, and is equipped with the

same functions as the Shinkansen General Control Center in Tokyo so that it can serve as an alternative control center should Tokyo's General Control Center become non-operational due to a disaster. Thus, we have strengthened our crisis management in preparation for emergencies.

*COMTRAC (COMputer-aided TRAffic Control): A system that controls train routes, manages train operations, and operates and manages the allocation of staff (drivers and conductors) and rolling stock. Based on input data prescribing the operational conditions for each train (such as station departure and arrival times, platforms, and order of movement) in the computer, the system can monitor the status of all trains in operation at all times.

The Shinkansen Multiple Inspection Train (Dr. Yellow)

We have also introduced the "Shinkansen Multiple Inspection Train (Dr. Yellow)" to test electrical facilities such as overhead wires and ground facilities such as tracks. This rolling stock, which is based on the Series 700, aids safe and reliable transportation by efficiently conducting high precision inspections at speeds of 270 km/h.



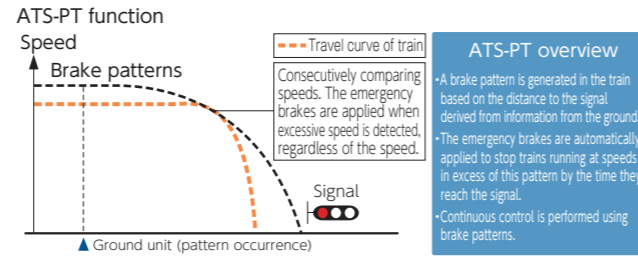
Dr. Yellow

Building Safe and Resilient Infrastructure

Conventional Lines

ATS-PT (Automatic Train Stop)

ATS-PT continuously checks the speed on conventional lines according to the distance between the train and the signal, the curve, and the points. It ensures safety by automatically applying emergency brakes when there is a risk that the train will exceed the safe speed. We have completed the introduction of ATS-PT on all of our conventional lines.



Tokai General Control Center (Nagoya) / Shizuoka General Control Center / Operation management systems

The operation of our conventional lines is managed by the Tokai General Control Center (in Nagoya) and the Shizuoka General Control Center. In these Control Centers, directors work in close collaboration using various systems, such as CTC (Centralized Traffic Control*), to accurately grasp a significant amount of information, including the

operational status of trains and the utilization status of facilities, control overall transportation services, and manage their safety to support safe and reliable transportation on conventional lines.

*CTC: The CTC system not only remotely and integrally controls station signaling equipment, etc. in order to efficiently manage train operations, but also has the function of conducting real-time monitoring of the operational status of trains.

Multiple Inspection Train and Track Inspection Train (Dr. Tokai)

We efficiently and thoroughly manage and maintain railway tracks and electrical facilities on conventional lines using the "Multiple Inspection Train (Dr. Tokai)."



Dr. Tokai

Cyber security measures

In terms of systems, we are also working to build a safe and resilient infrastructure. We are taking necessary measures, including achieving the redundancy of facilities and securing backups, to ensure that the provision of services to customers and the execution of internal operations will not be disrupted due to earthquakes and other natural disasters and system failures. For example, the Shinkansen Operation Management System has an alternative center in Osaka in case the system center in Tokyo is damaged, and the Express Reservation System comprises multiple computers to ensure sufficient processing capacity even if one computer fails. In addition, we regularly conduct drills to prepare for natural disasters and system failures.

Furthermore, we have taken all possible measures to ensure system security against cyber attacks, which have been increasing in recent years. For example, for systems that require absolute safety, such as those related to train operation, we have established an independent system structure that eliminates any contact with the outside world, thereby avoiding external attacks.



Shinkansen Second General Control Center

Initiatives for Ensuring the Safety of Employees

Ensuring the safety of employees is also an important issue. We have established internal regulations based on the Industrial Safety and Health Act and put in place a safety and health management system. At our business organizations, etc., safety management officers and health management officers are appointed, systems are in place to ensure safety at work and to manage workplace hygiene, and careful safety and health examinations are conducted as part of our active efforts to prevent industrial accidents and improve the work environment.

We are also promoting safety and health education throughout the Company. In addition to conducting the induction course on safety and health for all new employees at the General Education Center, we also provide classroom education on laws and regulations at the General Education Center and at each site in accordance with the nature, role and level of work, as well as safety and health education through necessary practical training, including the use of equipment and tools and simulations of industrial accidents.

Regarding people, structure, and equipment, the three pillars that support safety, we have been promoting various activities, such as the "Improve Safety!" campaign to make our work safer by identifying

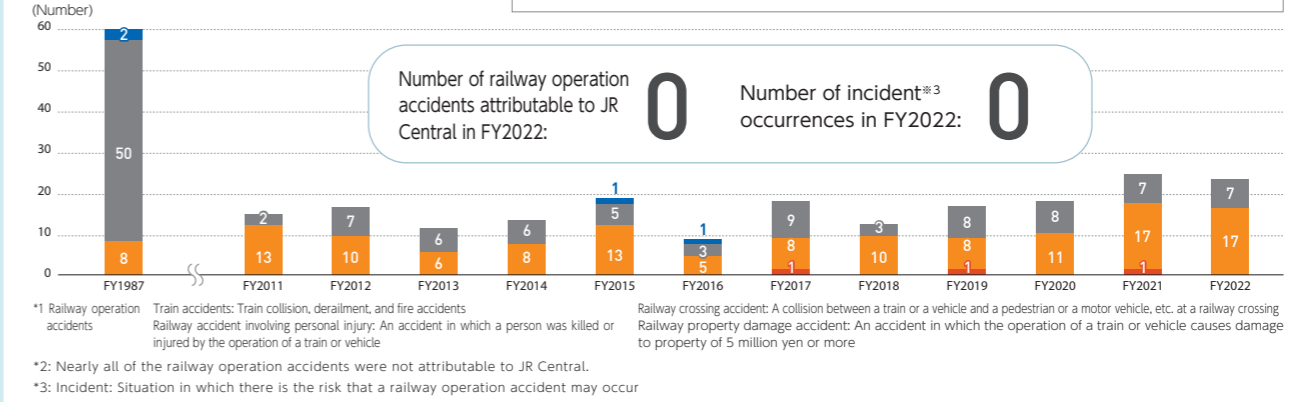
existing weaknesses and risks and making improvements to them, and initiatives to raise employees' awareness for the prevention of train accidents and industrial accidents through soliciting illustrations, photographs, and slogans related to accident prevention.



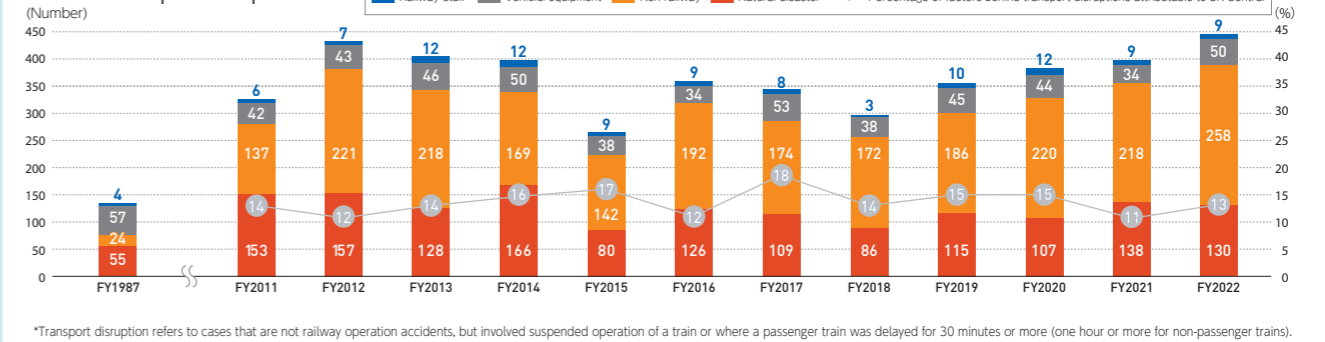
Posters promoting the prevention of train accidents and industrial accidents

Safety-Related Data

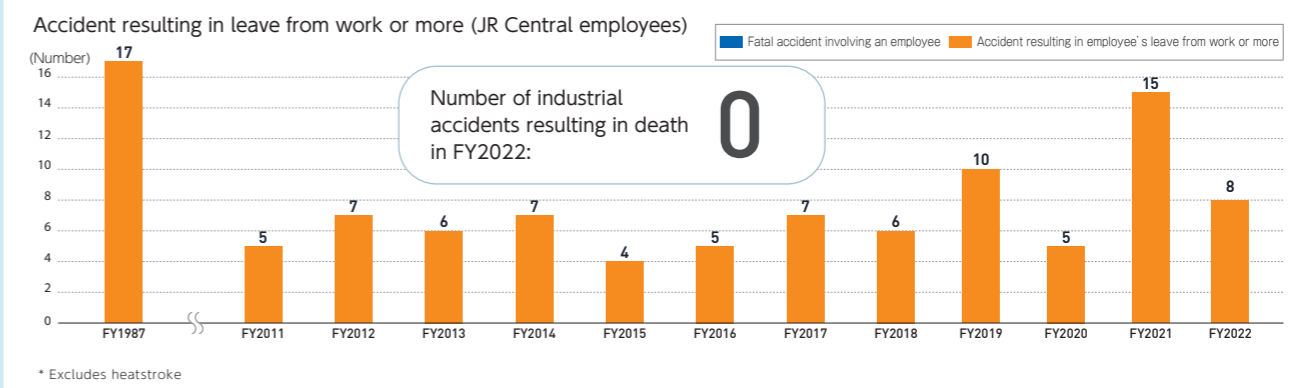
Status of railway operation accidents*1,2



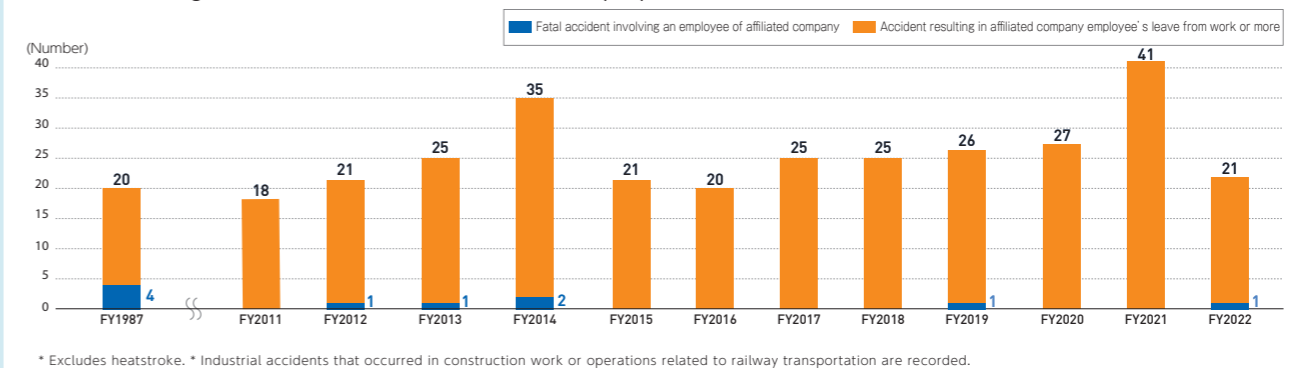
Status of transport disruptions



Status of industrial accidents (JR Central and its affiliated companies)



Accident resulting in leave from work or more (affiliated company)



Creating "Social Value" –Social–

The Chuo Shinkansen Project Using the Superconducting Maglev System ~Drastic enhancement of main transportation artery~



Operating speed **500 km/h**

Travel time (maximum)
Tokyo (Shinagawa) - Nagoya Tokyo (Shinagawa) - Osaka

40 minutes **67** minutes

The Chuo Shinkansen Project using the Superconducting Maglev System is a project to duplicate our artery transportation system linking Tokyo, Nagoya and Osaka, which is the lifeline of our business, and drastically prepare for risks, such as aging in the future of and large-scale disasters affecting the Tokaido Shinkansen. This project will allow us to further reduce management risk and thus stabilize our management base and to continue to carry out our founding mission of undertaking high-speed, large-capacity passenger transport between Tokyo, Nagoya and Osaka. This project will also dramatically improve convenience by greatly reducing travel time due to its high-speed operations, bring significant benefits to and potential for development of the Japanese economy and society, and ensure the long-term interests of shareholders and all other stakeholders over a long period of time.

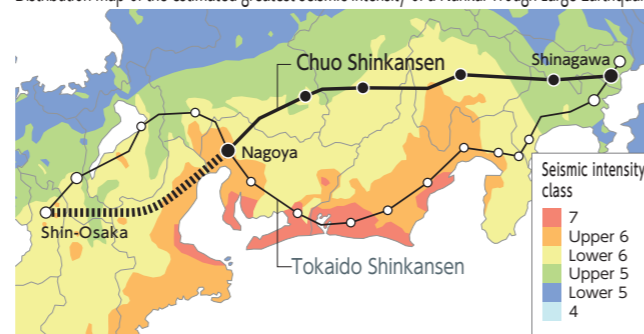
Outline and Significance of the Chuo Shinkansen

We are promoting the Chuo Shinkansen Project using the Superconducting Maglev System based on the Nationwide Shinkansen Railway Development Act (hereinafter, "the Act") to continually carry out our mission of operating a high-speed railway linking the Tokyo Metropolitan area and the Chuo and Kansai regions (from Tokyo through Nagoya to Osaka), which is the lifeline of our business, and to ensure the future foundation of the Company.

The Tokaido Shinkansen has been in operation for more than half a century, and while we have been carrying out large-scale renovation, there is the risk of suspension of services due to major facility replacement caused by future aging. Furthermore, Japan is prone to earthquakes, and although we have taken earthquake resistance measures for the Tokaido Shinkansen, there is the risk of potential major disasters, including the undeniable possibility of long-term disruption to Japan's main transportation artery due to a possible major earthquake. Therefore, as a drastic measure to prepare for these future management risks, we decided to complete the Chuo Shinkansen as quickly as

possible, under the assumption that we bear the cost of its construction, utilizing the Superconducting Maglev System that we have developed. The Chuo Shinkansen will turn Japan's main transportation artery into a dual system, and JR Central will operate it in an integrated manner along with the Tokaido Shinkansen.

Distribution map of the estimated greatest seismic intensity of a Nankai Trough Large Earthquake



Source: Prepared by JR Central based on "Countermeasure against a Nankai Trough Large Earthquake (Final Report)" (May 2013)

Chuo Shinkansen Project as a national project

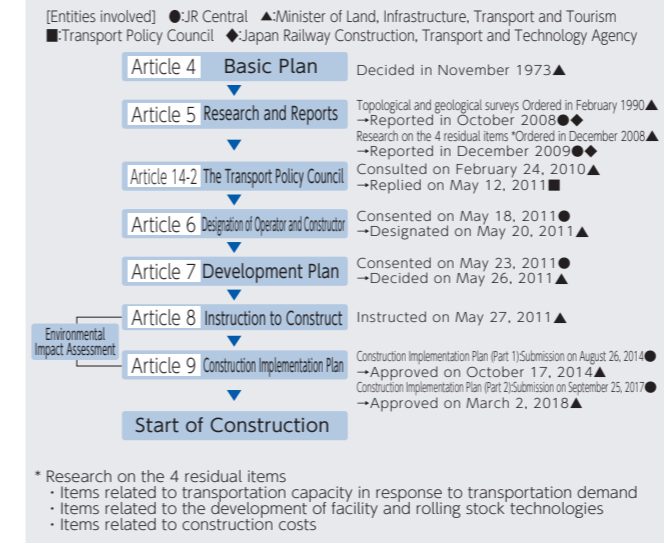
The Chuo Shinkansen is being constructed in accordance with the Act, which is a legal system for developing infrastructure essential to the nation in order to contribute to the development of the national economy, the expansion of the area of Japanese people's lives, and the development of local communities. Based on the Act, we received designation as the operator and an order for construction from the Minister of Land, Infrastructure, Transport and Tourism in May 2011, and then the construction implementation plan was approved by the Minister of Land, Infrastructure, Transport and Tourism in October 2014. In the meantime, we have conducted environmental assessment procedures and published the final environmental impact assessment report between Tokyo and Nagoya, which is promoted as the first stage.

On the other hand, in order to confirm that the principles of a privately owned company, such as freedom of management

and autonomy of capital investment, would not be hindered by application of the Act, we referred fundamental clauses regarding application of the Act to the Ministry of Land, Infrastructure, Transport and Tourism (hereinafter, "MLIT") and received a reply in January 2008 indicating that those principles would not be hindered.

In order to take steady steps towards the successful completion of this project, we will maintain sound management and stable dividends, sufficiently examine costs and demonstrate our flexibility, and make necessary investments to ensure safe and reliable transportation and to enhance the competitiveness of the Tokaido Shinkansen and conventional lines. We will first realize the project between Tokyo and Nagoya, where we have received approval for the construction plan, and strive to further extend the project to Osaka.

Flow of work based on the Nationwide Shinkansen Railway Development Act



Content of Development Plan

| | |
|---|--|
| Construction line | Chuo Shinkansen |
| Section | Tokyo - Osaka City |
| Technology used for running | Superconducting magnetic levitation technology |
| Maximum design speed | 505 km/h |
| Approximate amount necessary for the construction (including rolling stock costs) | 9,030 billion yen |
| Other necessary items | Main areas passed through Kofu City area, south-central Akashi Mountains (Southern Alps), Nagoya City area, Nara City area |

* The approximate amount necessary for the construction does not include interest.

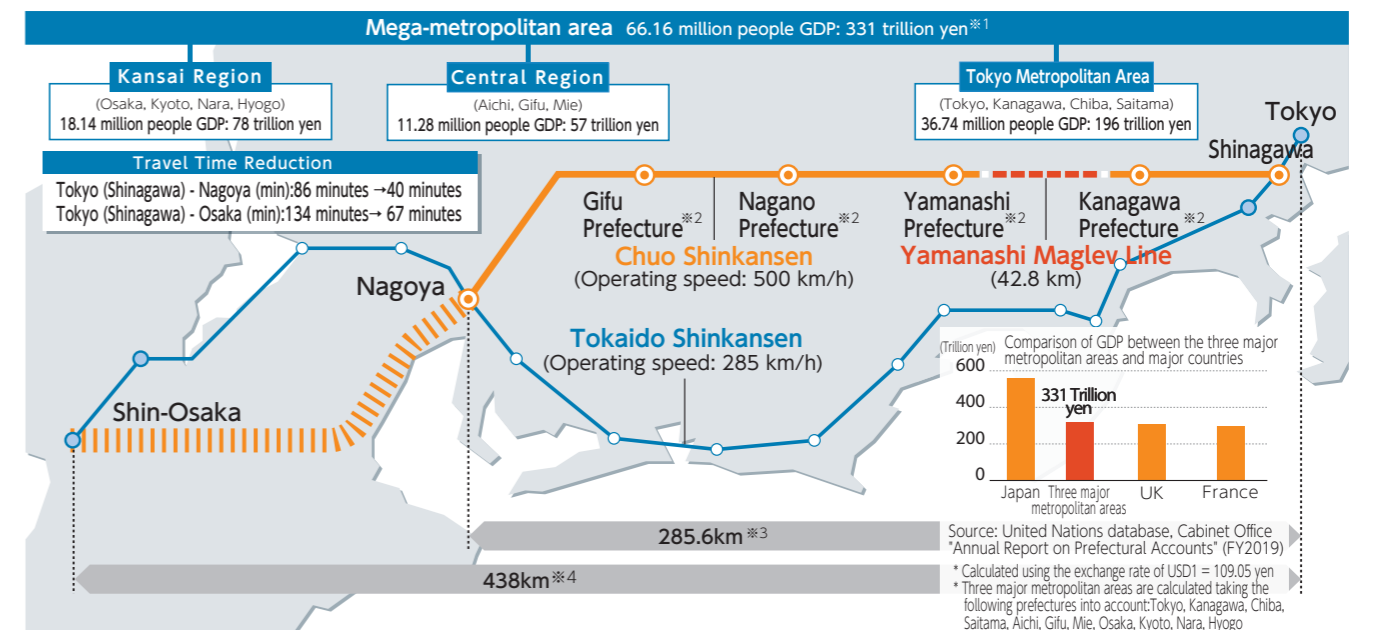
Outline of the Construction Implementation Plan (Part 2) of the Chuo Shinkansen section between Shinagawa and Nagoya

| | |
|--------------------------|--|
| Section | Between Shinagawa and Nagoya |
| Station Location | Shinagawa Station, Kanagawa Prefecture Station (tentative name), Yamanashi Prefecture Station (tentative name), Nagano Prefecture Station (tentative name), Gifu Prefecture Station (tentative name), Nagoya Station |
| Line extension | 285.6km |
| Construction costs | 4,853.6 billion yen [Total construction costs of 5,523.5 billion yen* (Includes rolling stock costs. Excludes the construction costs for the existing Yamanashi Maglev Line.)] |
| Expected completion year | 2027 |

* In the "Notice Concerning Total Construction Costs for the Chuo Shinkansen Section between Shinagawa and Nagoya" (April 2021), we announced that the total construction costs are expected to increase to 7.04 trillion yen.

New Value Provided by the Chuo Shinkansen

The realization of the Chuo Shinkansen using the Superconducting Maglev System will contribute to the vitalization of Japan's economic and social activities, turning Japan's main transportation artery between Tokyo, Nagoya and Osaka into a dual system and merging the three major metropolitan areas into a "Super Mega Region."



* 1 Population: Ministry of Internal Affairs and Communications "Population, Demographics and Number of Households Derived from Basic Resident Registration" (January 1, 2023) GDP: Cabinet Office "Annual Report on Prefectural Accounts" (FY2019) * 2 Intermediate station names are tentative. * 3 The Construction Implementation Plan (Part 2) of the Chuo Shinkansen section between Shinagawa and Nagoya (March 2018) * 4 The Survey Report of the Chuo Shinkansen section between Tokyo and Osaka (December 2009)

We will continue to fulfill our mission into the future by reducing management risks and stabilizing our management base by completing the Chuo Shinkansen Project. Furthermore, by adopting the Superconducting Maglev System for the Chuo Shinkansen, we can expect a drastic reduction in travel time between cities, and

the three major metropolitan areas will be transformed into one mega-metropolitan area, the so-called "Super Mega Region," where the interaction of people will be highly activated and economic and social activities will be energized, which is expected to have a significant positive effect on our business.

▶ The Chuo Shinkansen Project Using the Superconducting Maglev System ~Drastic enhancement of main transportation artery~

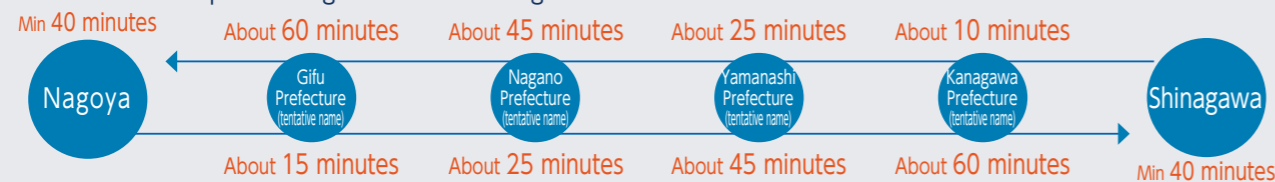
① Creation of new demand

In the competition between the Shinkansen and air travel, the shorter the travel time of the Shinkansen, the greater its share. Demand is therefore expected to shift from air travel to the Chuo Shinkansen due to the time reduction effect of the Superconducting Maglev System. In addition, the dramatic time reduction will greatly stimulate the flow between metropolitan areas, which is highly expected to generate new demand.

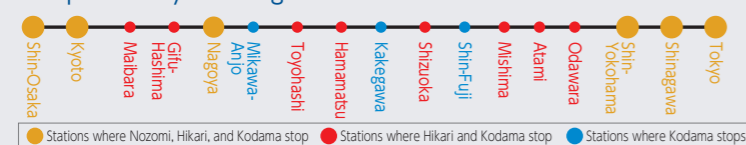
Furthermore, in addition to the anticipated new use of

intermediate stations in Kanagawa, Yamanashi, Nagano and Gifu Prefectures, the opening of the Chuo Shinkansen will shift some of the current "Nozomi" passengers on the Tokaido Shinkansen to the Chuo Shinkansen, creating room for additional "Hikari" and "Kodama" services when there is more room in the Tokaido Shinkansen schedule. This may improve travel times and frequencies between cities along the Tokaido Shinkansen line and each of the three major cities, thereby increasing the flow of people.

World's fastest speed brings each area along the line closer.



The possibility of using the Tokaido Shinkansen will increase.



Shifting of some "Nozomi" passengers to the Chuo Shinkansen will create room for increased "Hikari" and "Kodama" service.

② Broad ripple effects on the economy and society

Due to the overwhelming time reduction effect of the Superconducting Maglev System, Tokyo - Nagoya - Osaka will be connected in about one hour, and the three major metropolitan areas will become a "Super Mega Region" with a total population of about 66 million, or over half of Japan's total population.

This "Super Mega Region" is expected to become the core driving new growth for Japan, which is experiencing a declining population, by broadening the scope of

activities and thereby significantly changing lifestyles, such as the way people do business and spend their leisure time, as well as expanding various possibilities. The final report of the "Super Mega Region Concept Study Group" established by MLIT titled "Creating a Super Mega Region to Overcome a Declining Population: Creating New Value through Liberation from Time and Place" (May 2019) presents the following as "impacts of the Linear Chuo Shinkansen."

From the Final Report of the "Super Mega Region Concept Study Group" (May 2019)

- Opportunities for face-to-face interaction between people will increase, and the time for interaction will expand, which will lead to opportunities to create new innovation.
- It is expected to bring about changes in business styles and lifestyles by liberating people from "time" and "place," which have been factors that restrict working and living styles, and providing a variety of options.
- Due to the integration of the three major metropolitan areas, the entire Super Mega Region will create new value and growth industries, which will increase the attractiveness of the region in inviting people and investment from overseas.
- By organically connecting the Linear Chuo Shinkansen, Shinkansen and expressway networks, it is expected that the multiplicity and substitutability of the high-speed transportation network, which forms the framework of the national land policy, will be enhanced, and a sustainable flow of people and goods will be secured.
- It is expected that new regional revitalization will begin in the areas around the intermediate stations located between the three major metropolitan areas and that the effects of the Super Mega Region will spread widely beyond the areas along the Linear Chuo Shinkansen.

* Extract and summary by JR Central of the final report of the "Super Mega Region Concept Study Group" established by MLIT (May 2019)

Furthermore, according to the "National Land Policy Simulation Model" compiled by MLIT, the productivity improvement effects of the formation of the Super Mega Region as a result of the opening of the Chuo Shinkansen are estimated* to be 3.5 trillion yen per year for the opening of the line up to Nagoya and 6.5 trillion yen per year for the

opening of the line up to Osaka."

In this way, the dramatic reduction in travel time brought about by the opening of the Chuo Shinkansen will have a major impact on the entire country and will lead to the creation of new value and the sustainable growth of Japan as a whole.

* National Spatial Planning and Regional Policy Bureau of MLIT "FY2017 Survey Report on the Development of National Land Policy Simulation Model" (July 2018)

▶ Promotion of Construction

We are steadily carrying out the planned construction work in areas along the Shinagawa-Nagoya section for which we obtained approval of the Construction Implementation Plan, placing priority on safety at work, environmental conservation, and cooperation with local communities and examining costs sufficiently. Capital investments have totaled 1,526.8 billion yen in the period from FY2014, when we obtained approval of the Construction Implementation Plan, to FY2022. The total length of construction areas that have already been contracted out reached about 90% of the Shinagawa-Nagoya section, including the Yamanashi Maglev Line, totaling about 286 km, at the end of September 2023.

In the Southern Alps Tunnel Shizuoka construction area, we have yet to convince Shizuoka Prefecture and other parties, due to which we have not been able to begin tunnel drilling work. In such circumstances, with regard to impacts on water resources of the Oi River, based on the "Interim Report on

Oi River Water Resources" compiled by the "Linear Chuo Shinkansen Shizuoka Construction Area Council of Experts" of MLIT, we strive to provide easy-to-understand explanations to the local community, to implement specific risk responses and monitoring, and to implement measures to send water back to the Oi River in the amount equivalent to water that leaks inside the tunnels and exceptionally flows outside the prefecture for a specified period. Since June, we have discussed with the power generation company on how to reduce water withdrawal for power generation and return it to the Oi River. And discussions have been underway at the expert council on ways to conserve the environment of the Southern Alps, including ecosystems. Furthermore, a meeting was held in September to exchange opinions with the leaders of the cities and towns in the Oi River basin. We will remain committed to take measures in a sincere manner to win understanding and cooperation of local communities while placing importance on two-way communication.

Progress of effort to acquire land (at end of September 2023)

Approx. 70%

Land acquisition rate^{**2} = number of landowners from whom land is acquired^{**3} / total number of landowners
 * 1 The percentage figure is rounded down to be shown in increments of 5 percentage points.
 * 2 The figure may decrease due to a change in the number of landowners as a result of changes in the scope of land being acquired, inheritance, etc.
 * 3 The number of landowners from whom land is acquired represents the number of landowners with whom a contract has been signed.

Progress of finding entities that use excavated soil (at end of September 2023)

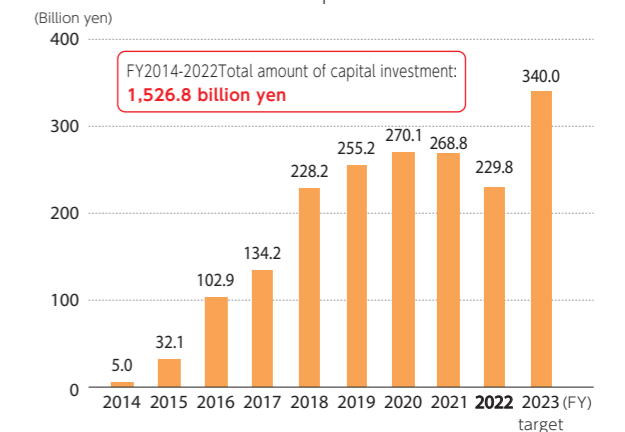
Approx. 80%

Progress of finding entities that use excavated soil^{**5}: approx. 80% of the amount of excavated soil^{**6}
 In addition to the entities already enlisted to use about 80% of excavated soil, we are in negotiations with multiple candidates regarding acceptance of excavated soil.

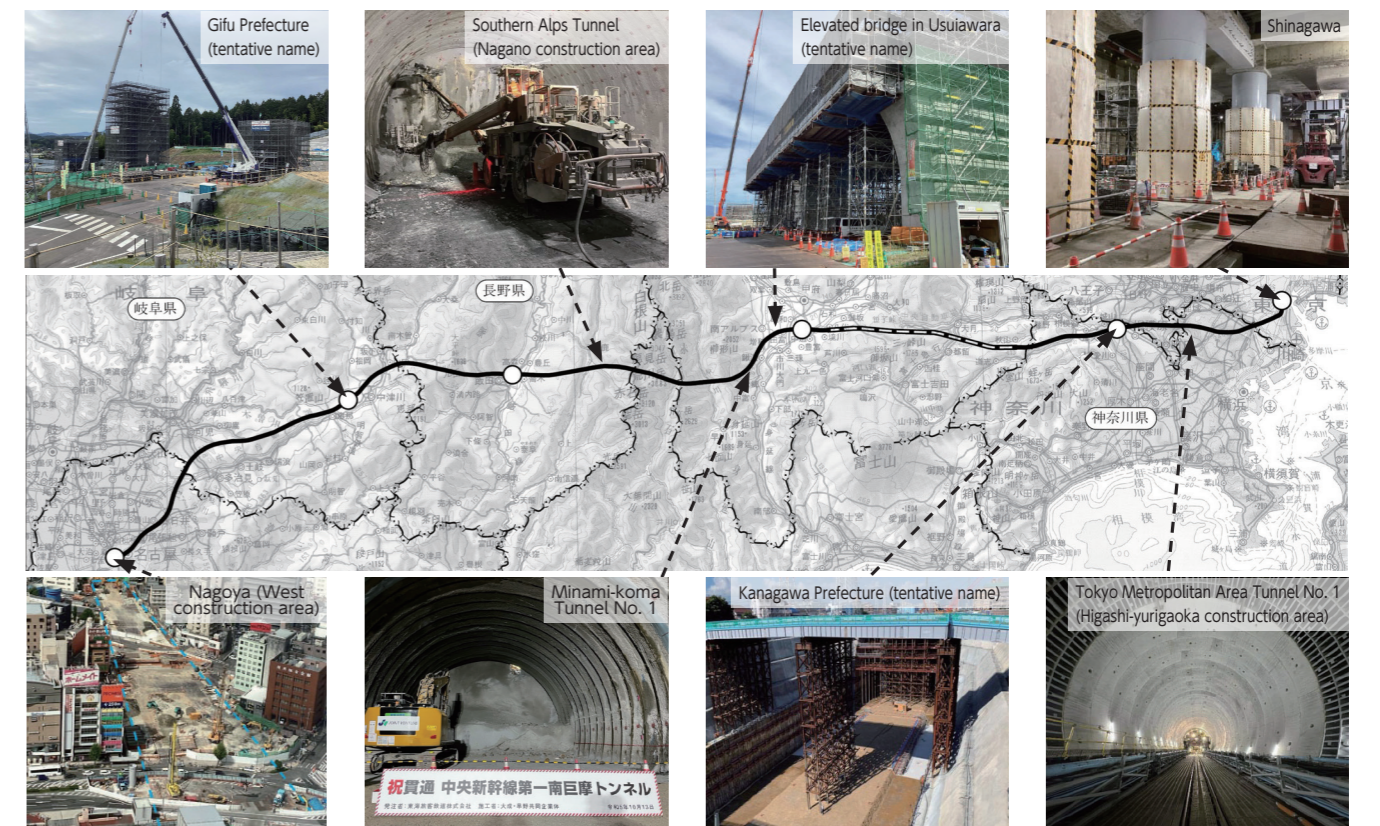
* 4 The percentage figure is rounded down to be shown in increments of 5 percentage points.
 * 5 The entities already enlisted to use excavated soil are entities, etc. with whom we have signed agreements, etc. on the acceptance of excavated soil.

* 6 The amount of excavated soil is the target figure as of August 2014, the month in which we published a corrected environmental impact assessment report.

Total amount of capital investment
 Historical total capital investment



Locations of construction work (at end of September 2023)



* This map is copied from a Japanese map (with a scale of 1 to 1,000,000) published by the Geographical Survey Institute with their authorization. (Authorization number: H25 Jo Fuku, 310)

* See our website for the latest information on the progress of the construction work.

▶ Publicly released materials regarding the Chuo Shinkansen Project (The progress of construction work in each prefecture can be viewed in "Construction safety, environmental preservation, and cooperation with local communities.") <https://company.jr-central.co.jp/choushinkansen/>

▶ Summary of Consolidated Financial Report <https://company.jr-central.co.jp/ir/brief-announcement/> ▶ Investor Meeting Presentation Handout <https://company.jr-central.co.jp/ir/investor-meeting/>

④ The Chuo Shinkansen Project Using the Superconducting Maglev System ~Drastic enhancement of main transportation artery~

➤ Implementation of Environmentally Conscious Construction

Construction of the Chuo Shinkansen is proceeding, taking the surrounding environment into consideration. The main environmental conservation measures being implemented are as follows.

Atmospheric environment
(air quality, noise and vibration)

The use of low-noise and low-vibration construction machinery with low exhaust emissions reduces the generation of nitrogen dioxide and suspended particulate matter, as well as noise and vibration.

Water environment
(water quality, water resources and groundwater)

Wastewater and turbid water generated by construction work are discharged into public waters after measures are taken, such as treatment and neutralization to reduce turbidity as necessary, by means of turbid water treatment facilities, in accordance with wastewater standards, etc., based on laws and regulations, thereby reducing the impact on public waters.

Animals, plants, and ecosystems

In the detailed planning of construction, we avoid places where important plant species grow as far as possible, and if construction in such places is unavoidable, we compensate for the influence on the growing environment of important species by transplanting and seeding in places with similar environments.

Reducing the impact of vehicles used to transport materials and machinery

We reduce the generation of dust by cleaning and watering the entrances, exits and surrounding roads for vehicles used to transport materials and machinery and by cleaning their tires. In addition, there is a construction area where we reduce the number of vehicles used in construction work by using freight trains to transport excavated soil.

➤ Overview and Development History of Superconducting Maglev System Technology

The Superconducting Maglev System is an advanced technology unique to Japan. Instead of using the friction between wheels and rails like conventional railways, it runs in a non-contact manner due to the magnetic force between the Superconducting Magnet mounted on the vehicle and the coils mounted on the ground. In addition, to obtain the strong power of the magnets, the technology uses a superconducting magnet utilizing "the 'superconductivity' phenomenon, whereby electrical resistance vanishes when a particular substance is brought below a certain temperature," which enables the vehicle to levitate about 10 cm, making it possible to operate safely in earthquake-prone Japan. These features make it possible to travel at an ultra high speed of 500 km/h in a stable manner, unlike conventional railways.

The level of the Superconducting Maglev System Technology has been evaluated in multiple stages since running tests began on the Yamanashi Maglev Line in April 1997. In July 2009, the Superconducting Magnetic Levitation Technological Practicality Evaluation Committee of MLIT (hereinafter, "Evaluation Committee") confirmed that the Superconducting Maglev System Technology had already achieved levels sufficient for commercial operation, and the Minister of Land, Infrastructure, Transport and Tourism established technological standards for the Superconducting Maglev in December 2011. Subsequently, in February 2017, the Evaluation Committee confirmed its evaluation that the technology development required for commercial lines was completed, and in March 2023, the Evaluation Committee assessed that steady progress has been made in brushing up

the technology.

We will continue to make efforts to reduce the cost of construction, operation, and maintenance of the commercial lines and further brush up Superconducting Maglev System Technology while conducting running tests using the Series L0 improved version and developing commercial vehicle specifications.

Progress on the Superconducting Maglev System Technology

| | |
|--------|---|
| Jun-90 | JR Central applies to the Minister of Transport for approval of the construction plan of the Yamanashi Maglev Line and gains approval. |
| Apr-97 | Running tests start on the Yamanashi Maglev Line. |
| Mar-00 | The Superconducting Magnetic Levitation Technological Practicality Evaluation Committee of the Ministry of Transport (hereafter, the "Evaluation Committee") acknowledges that "there is potential from a technological standpoint that the technology could have practical applications." |
| Nov-04 | JR Central performs exercises of trains passing each other at 1,026 km/h relative to one another. |
| Mar-05 | The Evaluation Committee of MLIT acknowledges that "the core technologies for practical application have been established." |
| Jul-09 | The Evaluation Committee of MLIT acknowledges that "the technologies required for commercial lines have been established from a comprehensive and systematic standpoint and it is possible to move forward with detailing the specifications for commercial lines and the technical standards." |
| Dec-11 | The Minister establishes technical standards for Superconducting Maglev. |
| Aug-13 | Work to extend the Yamanashi Maglev Line to 42.8 km and update facilities are completed. |
| Apr-15 | JR Central records a travel distance of 4,064 km in one day. JR Central records the world speed record for a manned rail vehicle at 603 km/h. |
| Feb-17 | The Evaluation Committee of MLIT acknowledges that "the technology development required for commercial lines has been completed." |
| Aug-20 | Running tests start using the Series L0 improved version. |
| Mar-23 | The Evaluation Committee of MLIT acknowledges that "steady progress has been made in brushing up the technology." |

History of Maglev Vehicles



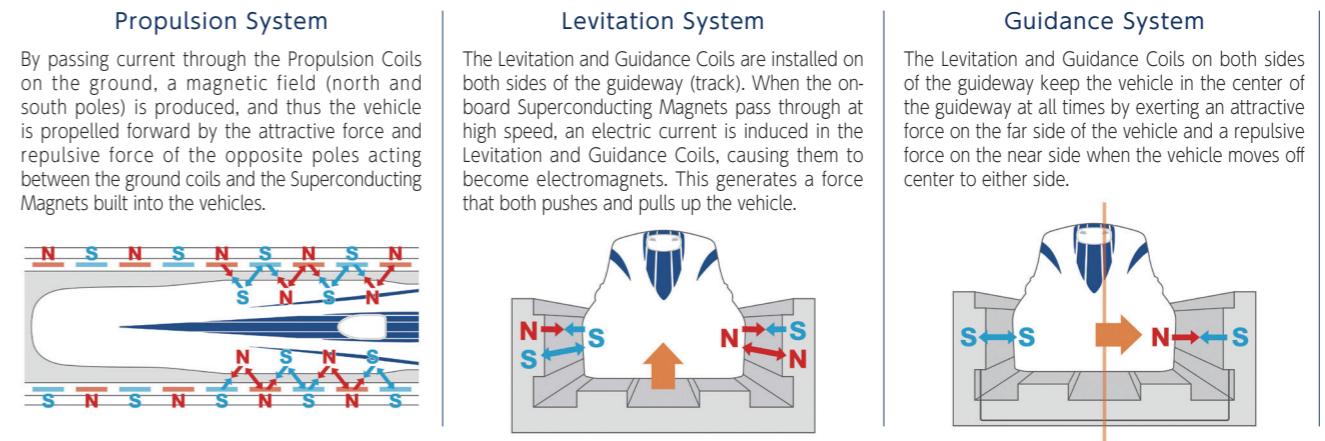
In order to establish commercial vehicle specifications, in August 2020 we started running tests using the Series L0 improved version, which further brushed up the Series L0 based on the results of the running tests so far.

Superconducting Maglev test rides



While steadily conducting running tests, we have offered Superconducting Maglev test rides using the Series L0 improved version from 2022 in order to foster a sense of anticipation for the opening of the Chuo Shinkansen.

Principles of the Superconducting Maglev System



➤ Total Construction Costs for Shinagawa-Nagoya Section

In the "Notice Concerning Total Construction Costs for the Chuo Shinkansen Section between Shinagawa and Nagoya" (April 2021), we announced that the total construction costs for the Shinagawa-Nagoya section are expected to increase from 5.52 trillion yen estimated at the time of the "Construction Implementation Plan (Part2) of the Chuo Shinkansen Section between Shinagawa and Nagoya" (March 2018) to 7.04 trillion yen. The reasons for the increase in construction costs include responding to challenging construction work, enhancing earthquake countermeasures, and securing utilization sites of excavated soil.

for completion of the construction are secured, we calculated the operating cash flows based on certain reasonable assumptions in the event that the revenue recovers at a realistically expectable pace from the impact of the COVID-19 pandemic, and it confirmed that, if approximately 1 trillion yen of new financing is added to such operating cash flows, the cumulative amount of the funds available for construction of the section between Shinagawa and Nagoya would exceed the total construction costs of 7.04 trillion yen in FY2028. It should be noted that this does not mean that a new target time for opening is set; however, a trial calculation of the status of securing funds under certain assumptions was made for reference purposes only.

We will prioritize sound management and stable dividends with regard to future management just as always and will fund the construction costs mainly through operating cash flows and the remaining amount through repayable borrowings. If we anticipate that it can no longer ensure sound management and stable dividends, we will aim to complete the construction by adjusting the pace of construction and fully restoring its management strength.

Thus, we have confirmed that we will be able to secure the level of funds necessary to complete the construction even after incorporating the increase in construction costs. We will continue to proceed with the Chuo Shinkansen Project with the aim of early realization of the Chuo Shinkansen while ensuring sound management and stable dividends.

Estimates to confirm construction costs are secured (as of April 2021). (For confirmation, etc.)

| | |
|---|---|
| Transportation revenues (Shinkansen and conventional lines) | Transportation revenues will recover gradually to 66% in FY2021, 80% in FY2022, and 90% in FY2023, and after FY2024 to 100% by FY2028. |
| Expenses | Essentially, personnel expenses will be maintained at the current scale of personnel required for railways, and non-personnel expenses will be recorded at the five-year average of the results from FY2015 to FY2019. In addition, cost reductions pursued through "reform of business operations" are considered to a certain extent. |
| Capital investments (Chuo Shinkansen) | 7.04 trillion yen |
| Capital investments (Shinkansen and conventional lines) | Essentially, necessary capital investments will be accumulated, considering the cost reductions through "reform of business operations," and capital investments will remain unchanged at approximately 220 billion yen per year in and after FY2028. |
| Other | Interest rate on financing: 3% |

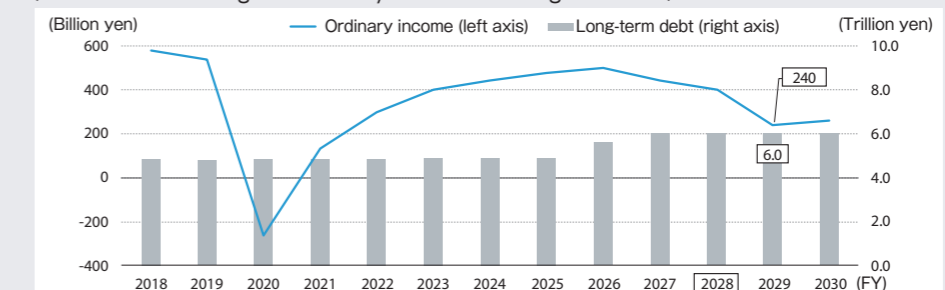
(For reference: Results of confirmation)

| | |
|---|-------------------|
| Period in which the cumulative amount of the funds available for construction of the Chuo Shinkansen exceeds the total construction cost* | FY2028 |
| Operating revenues for the fiscal year following the above period | 1,530 billion yen |
| Ordinary income for the fiscal year following the above period | 240 billion yen |
| Long-term debt outstanding for the fiscal year following the above period | 6.0 trillion yen |

Note: In and after the period marked with an asterisk (*) above, in calculating the operating revenues and ordinary income, it is assumed that transportation revenues will increase by around 5% compared to previous periods and that depreciation expenses and maintenance and operation costs will be recorded for assets related to the Chuo Shinkansen. This does not mean that a new target time for opening is set; however, a trial calculation was made for reference purposes only.

Note: The recovery in transportation revenues from the Shinkansen and conventional lines is compared to FY2018.

(For reference: Changes in ordinary income and long-term debt)



Creating "Social Value" –Social–

Tokaido Shinkansen: Constant Effort to Enhance Service

Since its establishment, JR Central has constantly refined not only the safe and punctual but also-fast, frequent, high capacity, environmentally feasible, and comfortable characteristics of the Tokaido Shinkansen, which plays the role of Japan's main artery transportation, in order to maintain and strengthen its competitiveness. Specifically, we have constantly worked to enhance services through the introduction of the "12 Nozomi Timetable," the launch of new N700S Shinkansen rolling stock, and the expansion of online reservation and ticketless boarding services, among others.



Characteristics of the Tokaido Shinkansen

Safety

0 accidents

- No accidents resulting in fatalities or injuries of passengers on board since operations commenced
- Improvement of safety awareness and skills through human resources education and training
- Ongoing investment for safety-related facilities

Fast

285 km/h

- Maximum speed: 285 km/h
- Between Tokyo and Shin-Osaka: 2 hours 21 minutes
- *Note: Accurate as of the March 2023 timetable revision (arrival time based on the fastest trains in service)

Environmentally feasible

Approx. **1/8** Approx. **1/12**

- The energy consumption amount per seat when traveling between Tokyo and Osaka is approximately 1/8th that of an aircraft.
- The CO₂ emissions for the same condition are around 1/12th.

Punctual

1.1 minutes

- Average delay time: 1.1 minutes/1 train in service
- * Results for FY2022 (including delays caused by natural disasters, etc.)

Frequent and High Capacity

356 trains **360,000** passengers

- Number of train services per day: 356 * Results for FY2022 (including extra trains)
- Number of passengers per day: 360,000 * Results for FY2022
- Number of seats available: 1,323 * 1,319 seats/train for the N700S type seats/train
- * The numbers of train services and passengers per day in FY2022 were reduced by the impact of the COVID-19 pandemic.

Comfortable

- Wide open, quiet space

"12 Nozomi Timetable" expected to significantly improve our services

When the Company was established in 1987, we were operating the Tokaido Shinkansen at the maximum speed of 220 km/h. We put the Series 300 "Nozomi" into operation in 1992 with the maximum speed of 270 km/h, and, in 2003, we opened Shinagawa Station and raised the maximum speed to 270 km/h for all trains, which allowed us to shift to a Nozomi-centered timetable.

Then, in 2015, the speed of the Tokaido Shinkansen was increased for the first time in 23 years, reaching the maximum speed of 285 km/h.

The Series 700 was retired in the spring of 2020, and we completed the update to the N700A type* to allow all trains to run at the maximum speed of 285 km/h.

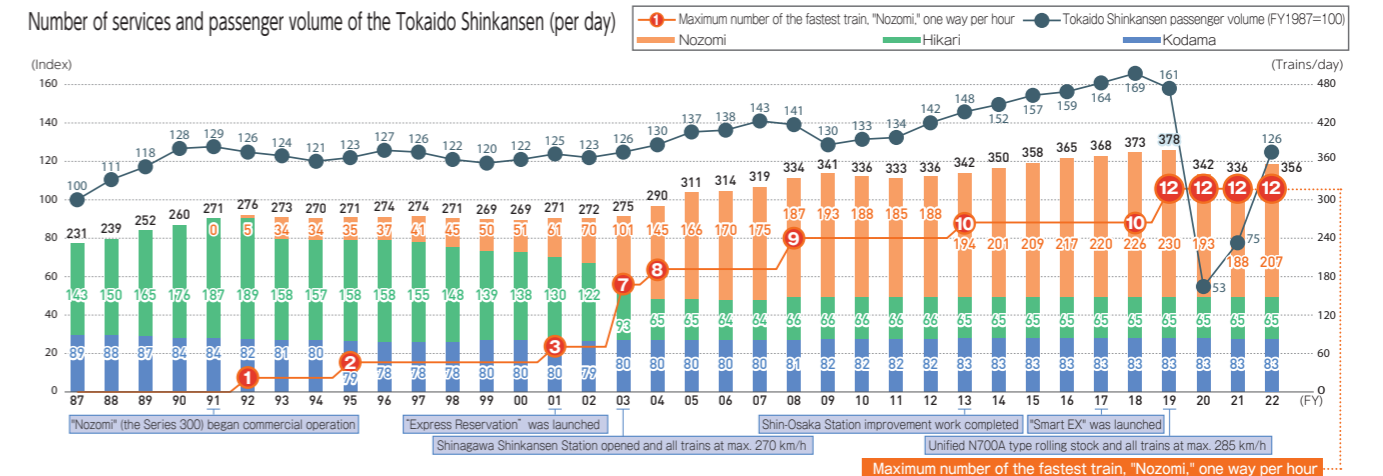
We also finished improvements to equipment and introduced the "12 Nozomi Timetable" in March 2020.

The maximum number of "Nozomi services" per hour increased by two from 10 in either direction, and we can now operate up to 12 "Nozomi" services during busy hours.

Also, all "Nozomi" services will travel between Tokyo and Shin-Osaka in less than 2 hours and 30 minutes. [Figure 1](#)

Passengers can reduce their travel time by reserving train seats online at their convenience and using the new, faster "Nozomi." This has made the Tokaido Shinkansen even more convenient.

* Generic name of the Series N700 and N700A, and later reflecting the main functions adopted in the N700S



*1 Departures shown include extra trains. *2 Usage status is shown by means of an index with the sectional transportation volume for FY 1987 as 100. *3 Station stops - Nozomi: Shinagawa, Shin-Yokohama, Nagoya, and Kyoto / Hikari: Same as "Nozomi," plus a few additional stations / Kodama: All stations. *4 The sum of figures for "Nozomi," "Hikari" and "Kodama" may not agree with the total due to rounding. *5 Departure figures and usage status figures in FY2020 through FY2022 were lower due to the impact of the COVID-19 pandemic.

Figure 1 Travel Time of "Nozomi" between Tokyo and Shin-Osaka and Number of Services per Hour during Pattern Hours

| | 10 Nozomi Timetable (Spring 2019 revision) | 12 Nozomi Timetable (since Spring 2020 revision) |
|--------------------|--|--|
| Within 2 hr 30 min | 3 trains | 12 trains |
| 2 hr 33 to 37 min | 7 trains | None |

Launch of new N700S Shinkansen rolling stock

We began in July 2020 to introduce the new N700S Shinkansen rolling stock, replacing the N700A type. The N700S is designed based on the results of years of technological development and is equipped with features such as enhanced safety and stability, enhanced comfort and convenience, higher emergency response capability, and a standardized design that can easily be constituted to any length of trainsets.



N700S

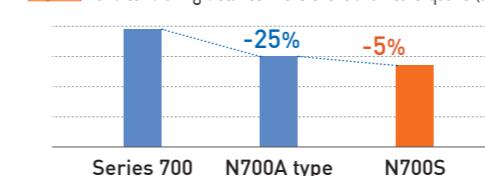
Number of New Trainsets

| Fiscal Year | 2020 | 2021 | 2022 | 2023 (plan) | 2024 (plan) | 2025 (plan) | 2026 (plan) | Total |
|---------------------|------|------|------|-------------|-------------|-------------|-------------|-------|
| Number of Trainsets | 12 | 13 | 13 | 4 | 7 | 7 | 3 | 59 |

Main features of the N700S

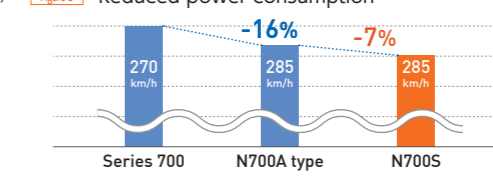
- Enhanced safety and stability**
 - Shorter braking distance in the event of an earthquake [Figure 2](#)
 - Enhanced snow-resistant features
 - Enhanced status monitoring function
- Enhanced comfort and convenience**
 - Equipped with a fully active damping control system
 - Additional outlets for mobile devices
- Lower running cost**
 - Reduced power consumption [Figure 3](#)
 - Reduced inspection/repair work
- Higher emergency response capability**
 - Battery-based self-propelled system [Figure 4](#)
 - Additional security cameras
 - Enhanced intercom functions
 - Toilet functions during power outage

Figure 2 Shorter braking distance in the event of an earthquake (at 285 km/h)



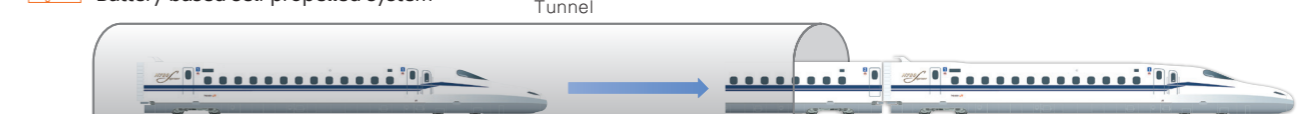
The braking distance during an earthquake is 5% shorter than the N700A type thanks to an improved ATC and brake system.

Figure 3 Reduced power consumption



Employing the Dual Supreme Wing design, which reduces air resistance, and a drive system that uses next-generation silicon carbide semiconductors, the N700S consumes 7% less electricity than the N700A type.

Figure 4 Battery-based self-propelled system



The N700S is the first high-speed train equipped with a battery-based self-propelled system. It can travel to a location where passengers can safely evacuate in the event of a long power outage following a natural disaster, etc.

Tokaido Shinkansen: Constant Effort to Enhance Service

▶ Promoting Online Reservation and Ticketless Boarding Services

In an effort to have customers more conveniently use the Tokaido Shinkansen, JR Central takes the initiative in promoting greater use of online reservation and ticketless boarding services via "EX Service" ("Express Reservation," "Smart EX," etc.).

For customers who frequently ride the Shinkansen for business or other reasons, we provide an "Express Reservation" service that offers a discounted member price throughout the year. Members of the service can smoothly ride the Shinkansen by simply touching their member IC card at the automatic ticketing gates after reserving their preferred seats with a smartphone or other device beforehand. There is no need to stop at the ticket counter of a station, allowing customers to significantly reduce their total transit time. In addition, reservations can be changed as many times as necessary before departure without any handling fees, allowing customers to use the service without worry even if there are sudden schedule changes.

We also offer "Smart EX" with no membership fee for customers who only occasionally use the Shinkansen, including people traveling to visit their hometown, tourists, and foreigners visiting Japan, so that they can also use the convenient online reservation & ticketless boarding service. This ticketless service enables customers to immediately use the service by simply registering their credit card and the nationwide interoperable transportation IC card from their smartphone, etc. As a result, we offer greater convenience to even more customers.

At the moment, reservations for reserved seats using these services currently account for nearly half of all reservations.

Numbers of EX Service members and registered persons

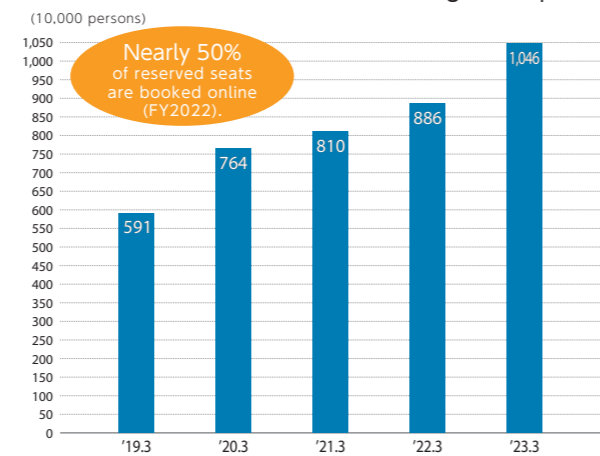
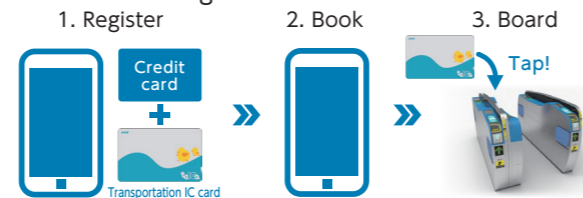


Illustration of using "Smart EX"



▶ Further Enhancing Our EX Reservation Service

In March 2021, we launched a ticketless boarding service for group passengers, a ticketless boarding service using a QR code for visitors to Japan, and a reserved seat reservation/change service for delayed trains. Thanks to these services, passengers who board trains in groups and visitors to Japan who do not have transportation IC cards are now able to board Shinkansen trains without the bother of obtaining a ticket.

Furthermore, in June 2022, we extended the service areas of the EX Service to the Kyushu Shinkansen (Hakata - Kagoshima - Chuo section), beginning to offer the service along all of the Tokaido, Sanyo and Kyushu Shinkansen lines (Tokyo - Kagoshima-Chuo section).

Since October 2023, we have been operating "EX Shinkansen Travel Packages," a travel product that

accommodates changes in train until immediately before boarding and ticketless Shinkansen travel, and "EX Hotels and Activities," a service to allow users to seamlessly book and pay for any combination of lodging facilities, sightseeing plans, car rentals, etc., of their choice. In addition, we have enhanced EX Service to make Tokaido Shinkansen seats available for reservations up to one year in advance. We have also disclosed per capita CO₂ emissions for each section of the Tokaido, the Sanyo, and the Kyushu Shinkansen in response to the needs of our corporate members.

We aim to enhance our services in terms of both business and tourism by offering products attractive to customers under these structures so that we can increase future usage and revenues.

* QR Code is a registered trademark of Denso Wave Incorporated.

One-stop, seamless reservation for trips for business or pleasure will become possible.



Other service enhancements • Launch of the "EX Points" service to grant points according to the use of the Tokaido Shinkansen • Tokaido Shinkansen seats have been made available for reservations up to one year in advance

▶ Stimulating Tourist Demand

We are working to stimulate tourist demand by introducing various campaigns for each region or target segment through various information media and sales channels. For Kyoto and Nara, which are the largest tourist resources in our market area, we have continuously implemented travel campaigns in collaboration with local governments and travel agencies, such as the Kyoto Campaign (launched in 1993), the Nara Campaign (from 2005 to 2021), and the renewed Nara Campaign (launched in 2022), and are promoting the use of the Shinkansen mainly from the Tokyo Metropolitan area to the Kansai region. In addition, we are working on coming up with attractive products associated with areas along our railway lines.

Since summer 2020, we have been actively implementing new promotional measures that capture customer trends and needs, including the following: "zurashi tabi" (shifting travel), a new way of traveling whereby the times, locations, means of travel and action at destinations are shifted from the "standard; "Oshi Travel Update," a campaign in which the content of "Oshi Travel" of going to see one's own recommendations

is updated and suggested in collaboration with business operators; and "Chartered Car Package," a service to allow customers to charter a whole car of the Tokaido Shinkansen to, for example, hold an event of their own.

Furthermore, targeting inbound tourists, we are working in cooperation with municipalities located along our train lines and other transportation companies to offer sightseeing value tickets covering destinations that are popular among international tourists, such as "Takayama and Hokuriku." We also have travel products to encourage customers to travel in areas along the Tokaido Shinkansen and other train lines of our company. We offer information on the "Central Japan Shinkansen/Train Portal," a multi-lingual website packed with information on products and tourist destinations in the areas in which we operate.



"Kyoto CP" poster

▶ Improving the Environment to Support New Ways of Working

In response to the spread of a new work style in which people can work anywhere, we have been working to enhance the business environment in stations and trains to enable passengers to spend their travel time in a manner suited to their work style. In order to further enhance the in-car environment for businesspeople, we will provide new services going forward.

More specifically, we will enhance the "S Work Car" service, which is operated in Car No. 7. of the Nozomi train, by installing a partition at some of the B seats in Car No. 7. of the Nozomi train and starting to offer A and C seats on both sides as "S Work P Seats." We will also operate Car No. 7. of the Hikari and the Kodama trains, in addition to Nozomi, as "S Work Cars," including during busy and the busiest seasons.

In addition, "Business Booths," introduced in N700s trains,

was installed in all N700S trains after being improved for higher convenience and operated on a regular basis gradually from October 1, 2023. "Business Booths" will be a paid service upon the start of its regular operation.

Furthermore, we have set up semi-private work booths and poles fitted with power outlets that are available free-of-charge in some waiting rooms at all Tokaido Shinkansen stations where Nozomi stops. We also operate "EXPRESSWORK," a paid work space service. In addition to booth-style space available at all Nozomi stations and some Hikari stations, lounge-style space is available at Tokyo Station.

We aim to continue working to enhance our services in a variety of aspects so that businesspeople who use the Tokaido Shinkansen can spend their travel time in more convenient and comfortable ways.



Creating "Social Value" –Social–

Conventional Lines and Group Businesses: Maintenance and Development of Social Infrastructure

By continuing to strengthen conventional lines in the Tokai region that form a network with the Tokaido Shinkansen, as well as group businesses that are expected to generate synergies with the railway business, such as the JR Central Towers and the JR Gate Tower at Nagoya Station, JR Central is working to expand business revenues and contribute to the maintenance and development of local social infrastructure.



▶ Mission as social infrastructure of the local community

JR Central undertakes the mission of supporting social infrastructure. That is, in an integrated manner with the management of Japan's main transportation artery, we take a locally oriented approach in operating a network of conventional lines in the Tokai Region, centered on the Nagoya and Shizuoka areas, thereby supporting the people in these areas. The conventional lines operated by JR Central, covering 12 railway sections, reach approximately 1,400 km in operating kilometers, which is approximately 2.5 times the length of the Tokaido Shinkansen, and play a role as a means of transportation for daily life, including commuting to work and school. In other words, they serve as social infrastructure of the local community. We have steadily improved our services by, for example, launching new vehicles and thereby increasing the speed and frequency of the services.

In order to enhance the convenience of limited express trains, we will continue to develop an integrated network of the Shinkansen and conventional lines by improving connections between the two and increase flexibility in the operation by increasing the frequency of services or number of cars per train to absorb demand fluctuations caused by seasonal factors and events. In FY2022, we began putting the new hybrid powered limited express "Series HC85" into commercial operation for our limited express train "Hida." Series HC85 has been introduced to all our "Hida" and "Nanki"

limited express trains through FY2023. The Series HC85 has achieved commercial operation as the first hybrid powered electric car in Japan to reach a top speed of 120 km/h.

Moreover, in order to offer convenient timetables for local train passengers, we will continue to develop a convenient rapid train system, operate trains at regular intervals, and increase the frequency of services or the number of cars per train, especially during the morning and evening commuting hours. Furthermore, we put a new type of commuter electric railcar, the Series 315, into commercial operation. We plan to gradually introduce it to conventional lines centered on the Nagoya and Shizuoka City areas in the period through FY2025. By launching these new vehicles, we will improve services for our customers by providing safety, stability, comfort and convenience and by further enhancing environmental performance.



New Series HC85 limited express vehicle

▶ Sales and marketing in coordination with local communities along our lines

Areas along our lines are blessed with many tourist resources. While continuing to strengthen our relationships with local residents and travel agencies at tourist spots in our operating areas, we are working to stimulate tourist demand by publicizing attractive tourist resources at stations, on trains, through our website and by other means and by taking various sales and marketing measures.

For example, we offer a train journey with a sense of the extraordinary by operating the express train "Iida Line Unexplored Stations" on the Iida Line, which runs through remote mountain stations and scenic sections, during periods of high tourist demand. Furthermore, we are holding the "Sawayaka Walking" service, offering free-of-charge walking tours requiring no reservation that start from our stations and visit wayside sightseeing spots. We are also

collaborating with local governments, travel agencies, etc. through the Destination Campaign organized jointly by the six JR companies to develop attractive tourism resources and products and operate sightseeing trains, etc., contributing to regional revitalization as well as promoting the use of the Shinkansen and conventional lines.



Kowada Station and "Iida Line Unexplored Stations" express train

▶ JR Central Group's affiliated businesses

The JR Central Group undertakes businesses in Transportation, Merchandise and Other, Real Estate, and Other areas. The Transportation segment involves railway and bus businesses. The Merchandise and Other segment manages department stores and provides sales services for goods and food in stations and trains. The Real Estate

segment develops commercial facilities in stations and areas under elevated tracks and also leases real estate, such as station buildings. In the Other segment, we manage hotels, travel agencies, advertising agencies, etc. We also manufacture rolling stock and maintain, inspect, and repair our railway facilities in this segment.

▶ Uniform management of JR Central Towers and JR Gate Tower

The development of Nagoya Station, the largest station in our network, is a pillar of our affiliated businesses. The JR Central Towers (hereinafter, the "Towers"), opened in 2000, and the JR Gate Tower (hereinafter, the "Gate Tower"), opened in 2017, have been recognized as landmarks of Nagoya and have made a significant contribution to the

economic development of the Chubu region. We will continue to operate both buildings in a uniform manner and work to increase earnings by demonstrating synergistic effects by segregating the concepts of the businesses of both facilities and promoting collaboration in sales.

JR Central Towers

Towers is a complex consisting of commercial facilities, hotels, offices, etc., with a height of 245 m and a total floor area of approximately 417,000 m².

The office business has enjoyed a high occupancy rate since its launch. All office spaces are almost fully occupied. JR Nagoya Takashimaya, ideally located directly above Nagoya Station, attracts large numbers of visitors. In the period between FY2021 and FY2022, we secured revenue

through measures such as a renovation of the living section. Nagoya Marriott Associa Hotel is rated highly for its convenient location directly above the station, its spectacular view from the top floors, its upscale facilities, and other features.



Renovated kitchen and tableware section in Takashimaya

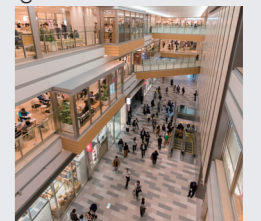
JR Gate Tower

JR Gate Tower is a high-rise complex building with a height of approximately 220 m and a total floor area of approximately 260,000 m² that stands adjacent to Towers and consists of commercial facilities, a hotel, offices, etc.

The office spaces are almost fully occupied due to their prime location directly above Nagoya Station, which the Chuo Shinkansen will serve in the future. Housing about 160 fashion stores, Takashimaya Gate Tower Mall offers products in categories and price ranges not found in the adjacent department store. Nagoya JR Gate Tower Hotel, together with

Nagoya Marriott Associa Hotel, is highly regarded by a wide range of guests as a hotel that focuses mainly on accommodation, offering both comfort and functionality.

By integrating the management and operation of the entire building with Towers, we are pursuing efficiency while adding new content not found in the Towers, further enhancing the attractiveness of the two buildings.



Takashimaya Gate Tower Mall

▶ Profitability improvement of JR Central Group's affiliated businesses

To respond to changes in the business environment, we will thoroughly implement low-cost and efficient business operations and promote the management efficiency of each Group company. We will also start and expand new businesses to improve our profitability further by taking advantage of our experience gained from synergistic effects with the railway business.

For example, in relation to the improvement of management efficiency of group companies, we carried out a merger between Tokai Kiosk and JR-CENTRAL PASSENGERS in October 2023 to form JR Tokai Retailing Plus for the purpose of improving the attractiveness and profitability of commercial facilities in stations.

JR Nagoya Takashimaya, which had promoted step-by-step extensive renewal of the luxury-brands floor, including setting up a new men's section, grand opened the floor on

September 29, 2023. A total of 52 brands are available on this floor, the largest lineup of merchandise in the Tokai area.

As for real estate development in areas along rail lines, we have acquired a development site at a distance of a 3-minute walk from the Hachijo east exit of Kyoto Station, and an attractive hotel for both Japanese and foreign guests is scheduled to open in FY2026. We will also start the TOKAI STATION POINT program, a shared point program that is available for use in shops inside the stations of the JR Central Group (approximately 1,000 shops), in October 2023.



[TOKAI STATION POINT] Main visual



Creating "Social Value" –Social–
Improving the Convenience of Facilities(Use of Barrier-Free Designs, Etc.)



➤ Improving the Convenience of Facilities (Use of Barrier-Free Designs, Etc.)

Enhanced convenience of stations, etc.

The improvement of railway stations is important for local communities since they serve as a connecting point with the local community and secondary transportation, such as buses, private cars and taxis, as well as a gathering spot for the community. In response to requests from local municipalities, JR Central makes improvements to stations, including the installation of passages for pedestrians and bicycles and the building of over-track stations, creates plazas in front of stations, establishes new stations, and promotes railway elevation projects, thereby contributing to the development of local communities. For example, since the number of passengers using Kariya Station on the Tokaido Line is increasing, particularly during morning and evening commuting hours, we are currently carrying out work to widen the platforms, install movable platform fences, and improve the concourse based on discussions with Kariya City regarding improvements to ensure

safety and comfort. Kariya City plans to establish and operate a local community exchange center and a tourist information facility to coincide with the station's improvements. JR Central has decided to create a new space that will be required for the city's plan in order to turn the surrounding area of the station into a hub and thereby contribute to the local community. As a railway company that contributes to local communities and develops together with the communities, we will continue to enhance the convenience of stations and other facilities in cooperation with the local municipalities concerned.

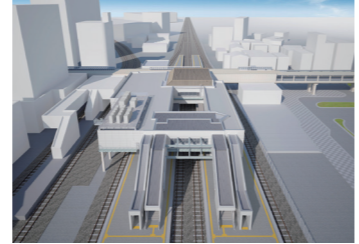


Image of Kariya Station

Initiatives to improve the level of accessibility

Based on relevant laws, such as the so-called Barrier-Free Act, JR Central cooperates with the central government and local municipalities to jointly establish and improve facilities to enable all passengers, including persons with disabilities and elderly passengers, to use our services safely and with a sense of security. As part of our initiatives taken in stations, based on the improvement goal set forth by the national government, we are proceeding with our plan to eliminate level differences by installing elevators, etc. and to install barrier-free toilets sequentially in stations used by 3,000 or more passengers per day, as well as those used by 2,000 or more passengers per day that are positioned as facilities necessary for people's daily lives in the general plans of local municipalities. Basically, in all of the stations, installations have been completed or are under way. Going forward, we will promote the installation of barrier-free facilities in cooperation with the central government and local municipalities and in accordance with the central government's improvement goals. We have completed the installation of guiding blocks for visually impaired persons and braille blocks that prevent such persons from falling from platforms in all stations. In regard to braille blocks, we are sequentially replacing them with a type that indicates where platform edges are located. In addition, we are working to install movable platform fences to further enhance safety on platforms. On the Tokaido Shinkansen line, we have prioritized fencing off platforms at busy stations where the Nozomi stops. In December FY2022, fences were installed

on Platform 20 at Shin-Osaka Station, completing the installation except for Platform 22 at Shinagawa Station. In the future, we will install fences at all Tokaido Shinkansen stations. On conventional lines, installation work at Kanayama Station was completed for Platform 3 and Platform 4 (Tokaido Line). In addition to Kariya Station mentioned earlier, we are currently installing fences at Nagoya Station for Platforms 5 and 6 (outbound Tokaido Line) and for Platforms 7 and 8 (Chuo Line). By FY2030, we plan to install fences at Nagoya Station for Platforms 1 and 2 (inbound Tokaido Line), Kanayama Station for Platforms 1 and 2 (Chuo Line), Chikusa Station, and Ozone Station. In implementing these measures to improve accessibility, we will also use the fare system established in December 2021 by the government to make train stations more accessible.

In an effort for train cars, we additionally introduced a new N700S train car equipped with wheelchair spaces accommodating six passengers on the Tokaido Shinkansen line. In addition, we increased the number of seats accommodating wheelchairs that are available for Internet booking through EX Service. In terms of conventional lines, we are enhancing barrier-free equipment by introducing additional new Series 315 commuter vehicle and new Series HC85 limited express vehicle models with expanded wheelchair spaces.



Platform fences on Platform 20 of Shin-Osaka Station



Creating "Social Value" –Social–
Cooperation with Local Communities



➤ Initiatives to vitalize local communities

Initiatives in coordination with communities located along our lines

As part of sales and marketing, we are deepening our ties with communities located along our lines while rolling out initiatives such as "Sawayaka Walking" and Destination Campaign (hereinafter, "DC").

The purpose of Sawayaka Walking is to promote the use of railways on Saturdays, Sundays and public holidays throughout the year. This free-of-charge walking event allows visitors to experience the attractive nature, history and culture of each area along the railway line without requiring advance booking. The program started in 1991, and the total number of participants has reached approximately 5.9 million (as of the end of September 2023).

One of the largest tourism campaigns in Japan, DC targets a different region every three months in spring, summer, fall and winter and is aimed at attracting customers by rail by promoting new tourist attractions of the region in cooperation with the local municipalities concerned, six JR Group railway companies and travel agencies. For the DC implemented along the lines we operate, we have operated sightseeing trains that enable passengers to enjoy the charms of the region and sold travel products that incorporate tourist attractions and special offers in cooperation with the local communities. For the DC conducted along railway lines operated by another company, we advertise the campaign at our railway stations to raise awareness of the tourist attractions and work with various parties concerned to attract tourists in locations across Japan.

SCMAGLEV and Railway Park - A museum of memories and dreams -

We opened the SCMAGLEV and Railway Park in March 2011 in Kinjo Futo, Minato-ku, Nagoya, as part of our participation in the Monozukuri (manufacturing) Culture Exchange Area Project hosted by the city of Nagoya. The SCMAGLEV and Railway Park introduces the progress of high-speed railway technology through displays of rolling stock mainly of the Tokaido Shinkansen, as well as conventional lines and Superconducting Maglev. Visitors can touch 39 real cars in total from various angles to feel their force and learn with fun the mechanism and history of railways through experience with exhibitions using models and simulators. The total number of visitors since its opening reached 6 million in September 2023.

IIMONO TANBOU

As an initiative aimed at vitalizing local communities through non-railway businesses, we operate the "IIMONO TANBOU" website, which sells delicacies and selected crafts produced along the railway lines we operate to be delivered directly from the place of production. The scope of this initiative has been expanded to include, in addition to introducing products that have been loved locally for many years, development of uniquely crafted products, events held under the name of "IIMONO TANBOU," and experience events to visit production areas, all of which are designed to encourage many people to feel areas along our railway line closer to them. Going forward, we will continue to work closely with hard-working local producers to promote the attractiveness of local communities.



IIMONO TANBOU



SCMAGLEV and Railway Park

Cooperation with Local Communities

Contribution to local communities through support for recovery from large-scale disasters

For electric power companies to swiftly recover from large-scale disasters, it is necessary for us to create a system to enable those engaged in recovery efforts to work safely. In December 2020, Hotel Associa Takayama Resort entered into a disaster support agreement, together with two other hotels in the Takayama district, with the Takayama Office of Chubu Electric Power Grid Co., Inc. and contributes to the local community by supporting recovery from large-scale disasters, such as through preferential provision of accommodation.



Hotel Associa Takayama Resort

Disaster prevention and recovery activities in coordination with local communities

We conduct drills to quickly guide customers on the assumption that a Nankai Trough earthquake has occurred and trains have stopped between stations. We are engaged in disaster prevention efforts in cooperation with local communities. In the past, we invited high school children and staff members of local governments along our railway line to participate in our drills.



Tsunami evacuation guidance training

Earning trust from customers and offering user-friendly services

JR Central is committed to providing services that are trusted and welcomed by local communities and customers, based on our belief that providing safe and reliable transportation and high-quality services to customers and earning customer satisfaction lead to our own joy.

For the Shinkansen, we are implementing the "Brand Quality Service Campaign" to improve the level of our customer service at stations and on our trains so as to provide customers with a sense of security, satisfaction and joy. While in recent years the number of online reservations has been increasing, the JR Central Group is making concerted efforts to enhance its knowledge and skills and foster a service-oriented mindset so that we can accurately respond to the traveling needs of a wide range of customers, including those who are accustomed to traveling on business and travelers visiting Japan.

On our conventional lines, we are aiming to provide customers with truly valuable services, or what we call "Real Value Services." In order to encourage customers to choose our railway, we encourage employees to enhance their ability to notice the needs of customers and proactively and sincerely provide services that could give customers a sense of security along with a sense of affinity, such as warmth and familiarity.



Customer service role-play

Customer service scene

Establishment of a medical institution rooted in the local community (Nagoya Central Hospital)

Nagoya Central Hospital in Nakamura-ku, Nagoya, as a core hospital in the local community, provides advanced and high-quality acute care by coordinating with local ambulance services to take in over 3,800 ambulance calls per year and performing over 1,800 surgeries year round. Looking ahead, Nagoya Central Hospital will look always to provide advanced, safe, and high-quality medical care to further contribute to the local community.



Nagoya Central Hospital

International exchanges

JR Central has deepened its tie with society in the form of international exchanges through receiving observation visits and exchanging human resources.

In terms of receiving observation visits, we have taken officials from foreign governments and related persons of overseas railway operators on tours of railway-related facilities, primarily of the Tokaido Shinkansen, to exchange opinions on railway management and other matters. These visits have provided related persons of overseas railway operators with opportunities to deepen their understanding of systems that support reliable and safe transportation through on-site observation of actual operations. In terms of exchanging human resources, we operate an exchange training program in which executives are dispatched to and from a U.K. railway operating company, as a way of providing opportunities for employees of both companies to gain further knowledge and develop their skills in railway management and technology through such exchange. Furthermore, in collaboration with several universities in the U.S., we operate a summer internship program for students, providing them with opportunities to learn about the railways and culture of Japan.

Outside Japan, JR Central maintains three overseas offices in Washington D.C., London and Sydney, where it undertakes

a wide range of international operations, such as gathering information on railways and latest technologies around the world, exchanging information with specialists and persons in the railway industry in various countries, and engaging in PR activities for overseas markets. For example, in the U.K., we provide children with exposure to state-of-the-art scientific technologies by holding physical classes at local schools to explain the mechanisms of the superconducting maglev system.

The exchange training program with the U.K. railway company and the internship program for university students in the U.S. have been held more than 20 times since their inception. When reunions for the participants of these programs are held, many alumni get together. The strong relationships of trust that we have nurtured with people who have visited our company over many years support the various activities we conduct overseas.



Exchange training program with a U.K. railway company

Promotion of culture, art and lifelong learning (JR Central Lifelong Learning Foundation)

The JR Central Lifelong Learning Foundation is a public interest incorporated foundation established in October 1990 with the purpose of contributing to society through the promotion of culture, art and lifelong learning. The Foundation's main activities include holding exhibits of the artwork of Hoshun Yamaguchi, a pioneer of new Japanese-style painting who drove the Japanese art scene, at Hoshun Yamaguchi Memorial Hall (Hayama-machi, Kanagawa), which opened in October 1991, and opening the ateliers and gardens, which offer seasonal flowers and trees loved by Hoshun and his wife, for public viewing.

Further, in an effort to support lifelong learning, the Foundation

engages in a wide range of cultural business activities, including holding classes on Japanese-style painting and organizing field trips to historic sites to learn about history.



«Boukyo - small sketch» by Hoshun Yamaguchi, 1953

Hoshun Yamaguchi painting in his atelier

Initiatives in human rights (JR Central Group Human Rights Policy)

JR Central operates on the basis of respect for human rights, and we believe that enhancing employees' awareness of and sensitivity to human rights is important also from the perspective of fulfilling our corporate social responsibility. JR Central has been addressing human rights issues appropriately by taking human rights into consideration when hiring, ensuring appropriate customer response, incorporating new human rights issues, such as harassment, in training and

awareness raising activities, sharing information on human rights promotion with group companies, and requesting material suppliers to comply with the law and respect human rights. We have also established the JR Central Group Human Rights Policy, which is disclosed on our website together with information on the system to promote the policy and the specific details of activities such as training, as a guide for conducting business based on respect for human rights.

JR Central Group Human Rights Policy

1-Sep-22

- Respect for human rights
The JR Central Group conducts its business activities with respect for the human rights of all people, including customers, business partners and employees, based on international principles related to human rights.
- Dialogue with stakeholders
The JR Central Group engages in dialogue with stakeholders, based on which it works to respect human rights in its business activities.
- Scope of application
This Policy is applied to all companies of the JR Central Group.
- Remedy and correction
In the event a business activity of the JR Central Group causes a negative effect on human rights or it becomes clear that its business activity has been involved in a negative effect on human rights, efforts for remedy and correction will be made through appropriate procedures.
- Training and awareness raising
The JR Central Group engages in appropriate training and extensive awareness-raising activities so that the Policy is understood and effectively implemented in all business activities of the Group.
- Information disclosure
The JR Central Group appropriately discloses information on its initiatives on human rights through its website, etc.
- Human rights due diligence
The JR Central Group strives to prevent and alleviate negative impact on human rights in view of international principles, among others.



Creating "Social Value" –Social– Promotion of Technological Development

▶ Technological development to support JR Central's growth

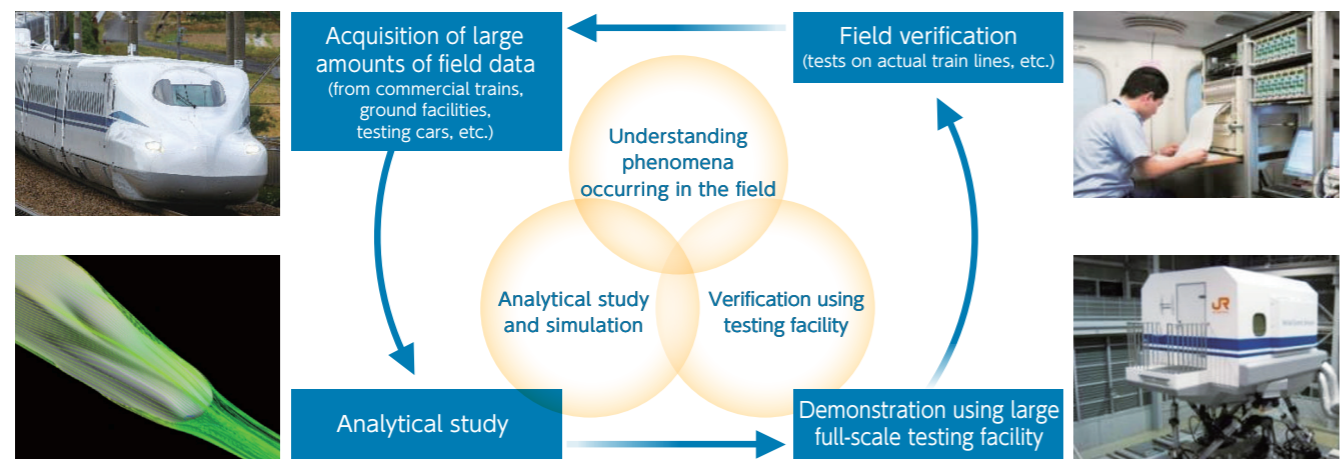
In order for JR Central to fulfill its mission and develop in the future, it is essential to work continually to ensure safe and stable daily transportation and pursue comfortable transportation services, as well as to build hardware and systems that will serve as the foundation to support such transportation and services through technological development. To address various technological issues in a more integrated and comprehensive manner, we have been systematically promoting technological development that

will lead to ensuring safe and reliable transportation in our railway business at the Komaki Research Center, which was established in 2002, by setting issues that contribute to company policies from a medium- to long-term perspective.



Komaki Research Center

Basic cycle of railway R&D

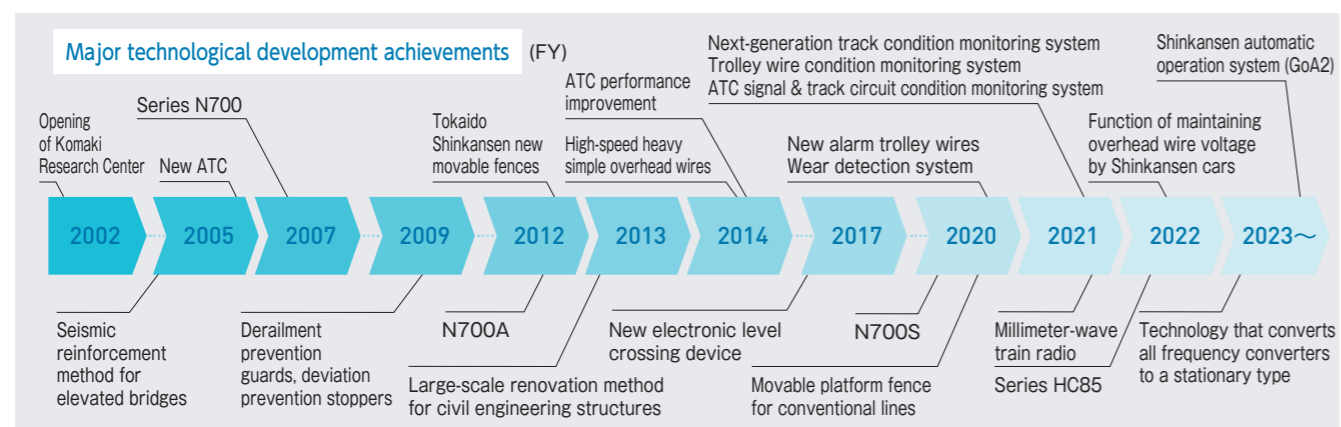


▶ Key themes of technological development

Based on the themes of "improving safety," "promoting reform of business operations," "realizing next-generation railway systems," and "applying technology to the Chuo Shinkansen," we are promoting technological development to provide safer, more convenient, and more comfortable services efficiently by actively incorporating

technologies such as sensing, image recognition, and robotics. We also promote further innovation of railway systems and initiatives to expand our technological scope by broadening our horizons to include a wider range of technical fields to sustain and develop the company into the future.

▶ Major technological development achievements



▶ Technological development, technological capability enhancement, and human resources development for the future

In addition to improving railway technology for the Shinkansen and conventional lines, JR Central is striving to develop technologies that will support the company's future, as well as to improve our technological capabilities and develop human resources. At the Komaki Research Center, we have utilized its characteristic full-scale testing facilities to achieve various technological developments, including new rolling stock, measures to prevent derailment and deviation of the Shinkansen, large-scale renovation methods for civil engineering structures, and high-speed heavy simple overhead wires for the Shinkansen. We are also working on numerous technological developments in light of the rapid advances in information and communications technology (ICT) and the progress of digital transformation in recent years.

Since the opening of the Komaki Research Center, we have been striving to enhance the technological capabilities of the entire company through close cooperation between the Railway Operations Divisions, which manage daily train operations, and the Technology Research and Development Department to address the technological challenges faced by the Railway Operations Divisions and conduct regular technology exchanges, and through sharing personnel between the two departments. Going forward, we will pay close attention to technological trends in other industries and fields, broaden our inspiration and application, and actively incorporate external knowledge to enhance our organizational capabilities so that we can meet the difficult technological challenges we face in the railway business.

▶ Major technological developments: Sophistication and labor saving in maintenance, cost reduction in maintenance and renewal of facilities

We are developing technologies to advance operations, reduce labor, and cut costs, such as mechanizing and systemizing maintenance operations by using new

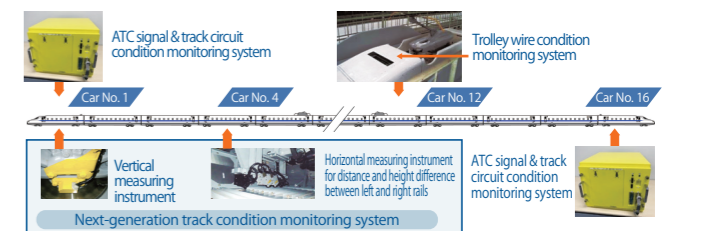
technologies such as sensing, image recognition, information communication, mass data analysis, and robotics, under the basic premise of ensuring safety.

(Example of technological development 1) Development of technology to measure ground equipment using N700S commercial trains

For the Tokaido Shinkansen, tracks and electrical equipment are measured by Dr. Yellow, a train dedicated to measurement. We have also developed a technology to reduce the size and weight of measuring instruments that can be installed in commercial trains of the latest N700S rolling stock, enabling us to understand the condition of facilities more frequently and carry out maintenance work in a timely manner.

track circuit condition monitoring system. By measuring the condition (wear, height, etc.) of trolley wires using commercial trains, we can eliminate the need to periodically measure all the lines, which workers used to do once a month at night, saving a significant amount of labor. We will also be able to check the integrity of ATC signals and track circuits at a high frequency to quickly detect signs of abnormality and take the necessary action and perform maintenance on signaling equipment and track circuits promptly.

As for track condition measurement, we have developed a next-generation track condition monitoring system with improved accuracy using our proprietary calculation program. By measuring the track conditions while trains are moving and sending the data in real time to the General Control Center and others, we will be able to monitor track conditions more frequently and more accurately.



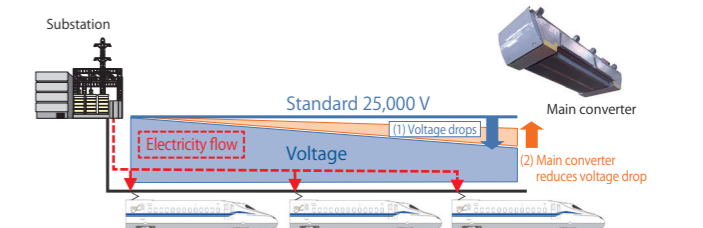
Measurement of ground equipment using N700S commercial train

(Example of technological development 2) Development of function to maintain overhead wire voltage by Shinkansen cars

For the Tokaido Shinkansen, we have maintained the overhead wire voltage by improving the electric ground equipment to prevent failure to maintain the necessary voltage for stable train operation due to a drop in overhead wire voltage caused by high-density train operation. As a technology to replace the maintenance of overhead wire voltage with this ground equipment, we have developed a function that can maintain overhead wire voltage by implementing a function to reduce voltage drops on overhead wire voltage in rolling stock through software improvements to the main converter installed in N700S cars. This is the world's first technology to maintain overhead wire voltage with rolling stock.

is implemented on all Tokaido Shinkansen trains, we expect to be able to reduce the number of substations by about 10% and the number of power compensators by about half. The introduction of this system is expected to reduce our electricity consumption by approximately 20 million kWh per year.

This technological development enables us to remove some of the substations and power compensators. When this function



Development of a function to maintain overhead wire voltage with Shinkansen cars

Creating "Social Value" –Social–

Overseas Deployment of High-Speed Railway Systems



Significance of overseas expansion

The expansion of high-speed rail systems overseas is expected to expand the market for related Japanese manufacturers and contribute to the maintenance and strengthening of technological capabilities, which in turn will flow back to JR Central in the form of a stable supply of materials and equipment, technological innovation, and cost reduction. It is an important initiative for JR Central to fulfill its mission of maintaining and developing Japan's main transportation artery in

perpetuity. Candidates for overseas expansion are countries and regions where we can expect to introduce complete systems on new high-speed passenger rail lines, where our superior high-speed rail systems can be used to their full potential. We also take into consideration that the candidate country/region has legal systems for intellectual property, etc., political stability, and economic power to make huge infrastructure investments. Given these conditions, we are currently targeting the United States.

Consulting & coordination business

Based on the belief that infrastructure that is fundamental to the local community and government, such as high-speed rail, should be owned and operated by the government or a company of the country or region, our policy for the overseas expansion of high-speed rail systems is to contribute to the project through consulting and other businesses, rather than becoming the business entity. Specifically, we propose to provide a complete

system that includes civil engineering structures, signaling equipment, rolling stock, operation management systems, and maintenance and repair, as well as provide consulting services necessary to ensure the safe and reliable operation of high-speed railways, including the preparation of technical specifications and operation and maintenance manuals, and the coordination of relevant Japanese companies.

Efforts in high-speed rail projects in the U.S.

We are continuing our efforts in the Texas Project, which aims to introduce the Tokaido Shinkansen system in Texas, and the Northeast Corridor Project, which aims to introduce SCMAGLEV (Superconducting MAGLEV) in the Northeast Corridor of the United States.

manufacturers to prepare for core system order contracts.

For the Northeast Corridor Project, we aim to introduce SCMAGLEV in the Northeast Corridor connecting Washington D.C. and New York and are carrying out promotional activities so that the Washington DC. - Baltimore section can proceed first under the cooperation of the Japanese and U.S. governments. Currently in the U.S., the Federal Railroad Administration and other organizations are conducting environmental impact assessments with U.S. federal grants.

The Texas Project aims to connect two major cities in the state of Texas, Dallas and Houston, with the Tokaido Shinkansen high-speed rail system. The development entities, Texas Central Partners and its subsidiaries (hereinafter collectively referred to as "TC"), are working to develop the business, such as formulating technical specifications, preparing operation and maintenance plans, and raising construction funds. We provide technological consulting to TC through our local subsidiary, High-Speed-Railway Technology Consulting Corporation (HTeC). We are also working with Japanese

The Japanese government is also engaged in a research project to introduce SCMAGLEV in the U.S. We intend to provide technical support when the project makes concrete progress.



Shinkansen inspection tour by U.S. Secretary of Transportation Pete Buttigieg

Technical consulting for Taiwan High Speed Rail

In response to a request for technical assistance from the Taiwan High Speed Rail Corporation, which operates Taiwan's high-speed rail system based on the Japanese system, we began providing technical consulting in FY2014 and have completed nine individual projects to date. Going forward, in addition to the construction work we have been supporting

since the planning stage, we will continue to respond to requests from the Taiwan High Speed Rail Corporation, such as providing technical support for the procurement of new cars based on the N700S, which the Corporation has decided to procure in 2023, and contribute to the Corporation's safe and reliable transportation services.

Efforts to promote the Japanese high-speed rail system as a global standard

We are continuing to work to establish the Japanese high-speed rail system, which is based on the principle of "Crash Avoidance," as a global standard through the International High-Speed Rail Association (IHRA).



IHRA Forum (left: main conference, right: technical visit)

Creating "Social Value" –Social–

Building Relationships with Material Suppliers



Policy on material procurement

In order to procure higher-quality and reliable materials at reasonable prices to support safe and reliable transportation, JR Central procures quality materials in Japan and from abroad based on its Basic Philosophy of Material Procurement. In particular, recognizing that quality is the most important factor, we conduct on-site quality audits at the plants of our suppliers, as well as investigate the technical level and manufacturing capabilities of suppliers and their business conditions, to check that the quality required for the products is ensured. We also strive to reduce costs by encouraging the entry of new suppliers, placing orders based on economies of scale, and rigorously assessing manufacturing costs, among other measures. In the railway business, which requires us to continue to fulfill our social mission in a stable and sufficient manner over a long period of time, it is also necessary to maintain the quality of the materials used in the business over the long term. Amid the recent drastic changes in the environment surrounding materials, such as the shortage of parts and materials and long delivery times, we are communicating closely with our suppliers and asking them

to provide a stable supply and after-sale care. In particular, we strive to place orders with multiple suppliers for materials that are essential to the daily operation of our trains so that we can avoid the risk of supply disruptions caused by earthquakes or other disasters. We also ask our suppliers to comply with relevant laws and regulations and to respect human rights. We review their efforts in these areas when starting business and periodically thereafter.

Suppliers are "partners" with whom we work to reduce costs while maintaining and improving product quality. Establishing continuing and stable business relationships with them enables us to procure high-quality products at reasonable prices, thereby contributing to the strengthening and development of the entire railway-related business in Japan, including our suppliers.

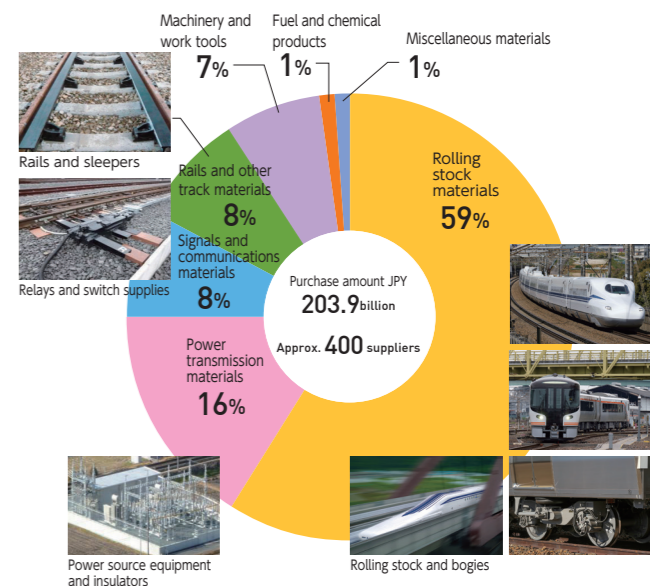


Conducting a quality audit of rolling stock components

Basic Philosophy of Material Procurement

| | |
|----|--|
| 1 | Procurement prioritizes the maintenance of safe and reliable transportation |
| 2 | Procurement of high quality materials |
| 3 | Procurement of materials at reasonable prices |
| 4 | Pursuit of suppliers possessing a supply system capable of strictly adhering to contractual delivery deadlines |
| 5 | Pursuit of suppliers capable of building a continuing and stable business relationship |
| 6 | Pursuit of suppliers capable of supplying satisfactory after-sale care regardless of whether such service is needed during normal or emergency times |
| 7 | Pursuit of suppliers capable of adapting to diverse usage environments |
| 8 | Establishment of a satisfactory communication framework |
| 9 | Appropriate handling of information |
| 10 | Fair and equitable transactions |
| 11 | Pursuit of suppliers who give consideration to reducing the environmental burden |
| 12 | Compliance with relevant laws and regulations |
| 13 | Providing and updating website information on procurements |

Actual procurement amount of main materials (FY2022)



Declaration of Partnership Building

In support of the "Declaration of Partnership Building" promoted by the government and business organizations, JR Central declares that it will focus its efforts on coexistence and co-prosperity throughout the supply chain, new business alliances that transcend company size and affiliation, and compliance with desirable trade practices between parent and subcontractors.



Creating "Social Value" —Environment—

Contribution to Global Environment Preservation

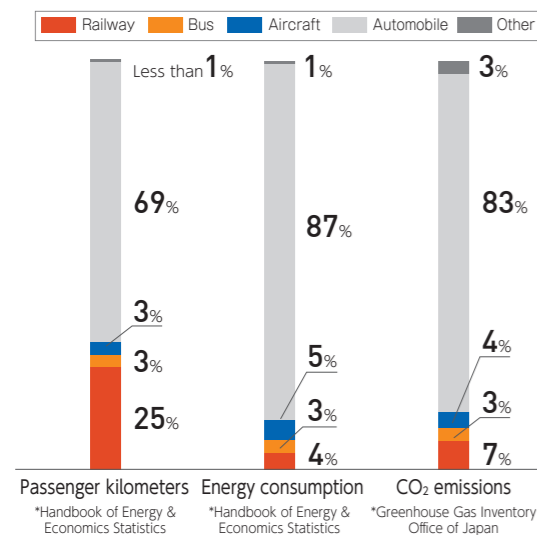


*Based on the Japanese government's policy to achieve carbon neutrality by 2050

Environmental superiority of railways

The problem of global warming is an issue that should be addressed on a global scale. As CO2 accounts for the largest emissions among greenhouse gases and is thus considered to have the largest impact on global warming, railways have the outstanding characteristic of being highly energy efficient compared to other transportation modes and having minimal adverse impact on the global environment. Railways account for only 7% of CO2 emissions despite undertaking 25% of Japan's overall passenger transport volume. Compared to an aircraft (B777-200), the Tokaido Shinkansen (Series N700 "Nozomi") consumes approximately one-eighth of the amount of energy per seat when traveling between Tokyo and Osaka and discharges about one-twelfth of the CO2 emissions, proving that the Tokaido Shinkansen has overwhelming environmental superiority. JR Central believes that having as many passengers as possible opt to use railway services, which have a smaller environmental impact than other modes of transport, will mitigate the load placed on the environment across the entire transportation sector and contribute to global environment preservation.

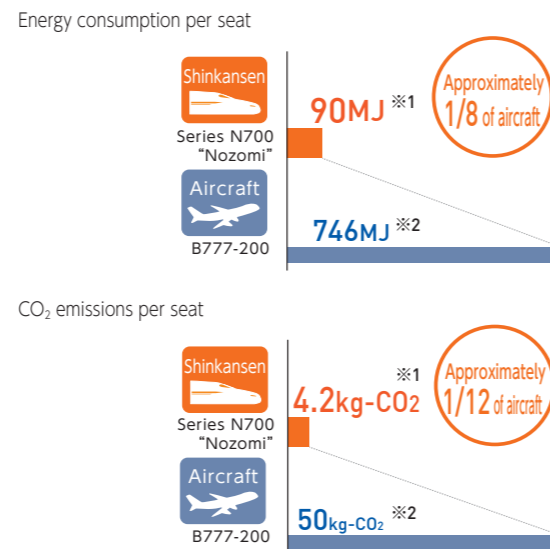
Distribution of passenger transportation share, in terms of transportation volume, energy consumption, and CO2 emissions



*The items in the breakdown may not add up to 100% due to rounding. Source: Handbook of Energy & Economics Statistics (2020) for transportation volume and energy consumption. 2020 data from the National Institute for Environmental Studies, Greenhouse Gas Inventory Office of Japan for CO2 emissions.

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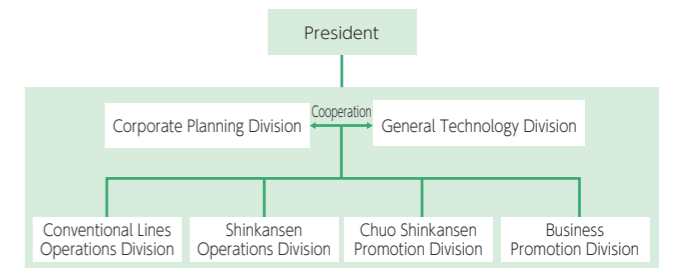
Comparison of the Tokaido Shinkansen and aircraft (between Tokyo and Osaka)



*1 Calculation based on running performance (by JR Central) of Series N700 "Nozomi" (Tokyo - Shin-Osaka). *2 Calculated by JR Central for B777-200 (Haneda - Itami/Kansai Airport) using ANA's "Annual Report 2011" for reference.

Promotion structure

JR Central promotes initiatives for global environment preservation through a structure headed by the President, under which the Corporate Planning Division and the General Technology Division, in charge of the management units and technology units respectively, cooperate to formulate policies for efforts to achieve carbon neutrality, resource recycling and biodiversity, as well as policies for technological development, and the Operations Divisions of the two railway businesses, the Chuo Shinkansen Promotion Division and the Business Promotion Division roll out the specific efforts.



Guidelines

Environmental Action Guidelines

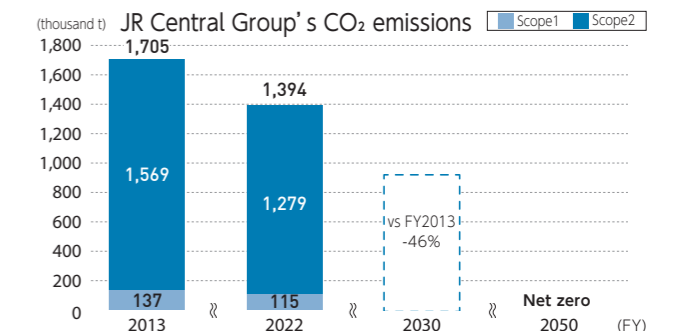
JR Central has established a set of Environmental Action Guidelines consisting of the following seven items as part of its engagement in global environment preservation.

- 1 Provide comfortable transportation services to promote further use of railways, which are superior in terms of global environment preservation
- 2 Promote technological development that contributes to global environment preservation
- 3 Use fuel and energy efficiently
- 4 Promote waste control and recycling
- 5 Appropriately manage chemical substances
- 6 Procure environmentally friendly goods and materials
- 7 Contribute to society and raise awareness for global environment preservation

Goals toward carbon neutrality

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 CO2 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 CO2 emissions in 2050 as well as reduce CO2 emissions in FY2030 by 46% from FY2013 levels.



Contribution to global environment preservation and the achievement of a decarbonized society

Of the 1.25 million tons of CO2 emitted by JR Central, 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 and promote tests on biofuels. In addition, we have begun conducting simulated running tests combining railcar driving test equipment and hydrogen supply equipment for the development of hydrogen-powered railcars and will continue to conduct research on battery railcars. To address the indirect emissions from the use of

electricity, which account for the remaining 95% of the total, we will work to utilize renewable energy while making 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 promoting decarbonization efforts across the entire power generation sector in Japan.

We also endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)* in May 2021, based on which we are analyzing the risks and opportunities

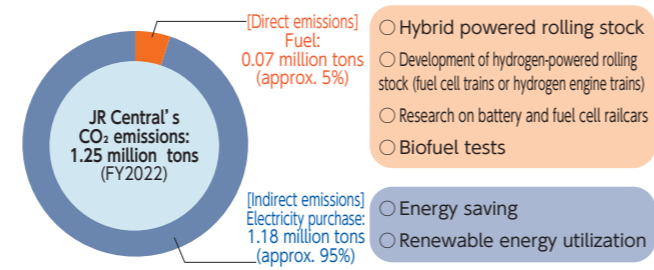
Contribution to Global Environment Preservation

related to climate change so that we can utilize them for stable business operations over the long term. We have so far disclosed qualitative information on the four elements specified by the TCFD as well as the results of a quantitative analysis on facility damage of the Tokaido Shinkansen due to flooding. In addition, we completed the analysis of revenue decreases of the Tokaido Shinkansen due mainly to suspension of service, which we disclosed recently. Going forward, we will continue to add depth to our risk analyses and consider strengthening our facilities to prepare against natural disasters.

Furthermore, we will cooperate with external companies and organizations to contribute to the preservation of the global environment and achievement of a decarbonized

society by further enhancing the environmental superiority of railways through new technologies and initiatives that contribute to the reduction of environment impact.

Initiatives to reduce CO₂ emissions

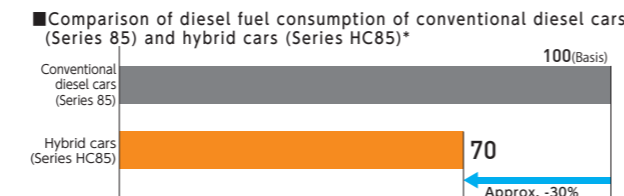


*Refer to pages 23-24 for information on the TCFD.

Initiatives to reduce direct CO₂ emissions

Hybrid powered rolling stock

We developed the new, hybrid-powered limited express Series HC85 as a successor to the Series 85 diesel railcars used for our limited express trains "Hida" and "Nanki" and completed its introduction process in July 2023. The Series HC85 achieves an approximately 30% reduction in diesel fuel consumption and CO₂ emissions and an approximately 40% reduction in NO_x emissions in comparison to the Series 85 diesel railcars by making use of the power stored in the batteries when accelerating and stopping.

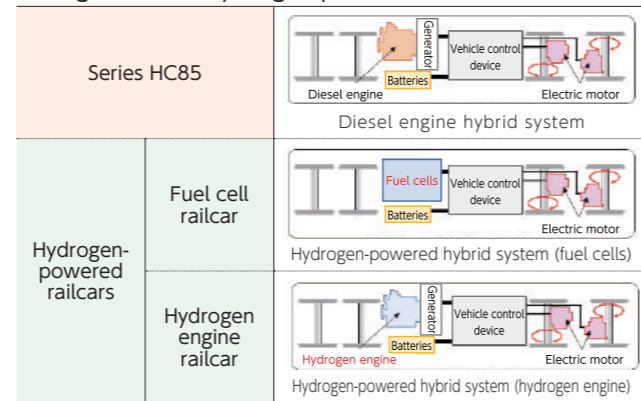


*Based on a simulated run from Nagoya to Toyama at the maximum speed of 120 km/h

Development of hydrogen-powered rail cars and research on battery railcars

We have been working to develop hydrogen-powered railcars as a way of reducing CO₂ emissions from diesel railcars to net zero. We aim to use, as a power source, fuel cells or hydrogen engines, which use hydrogen as fuel, instead of diesel engines that use light oil as fuel, aiming to introduce a hydrogen-powered hybrid system that runs on electricity obtained from this and electricity from batteries. In order to test the performance of railcars powered by fuel cells or hydrogen engines and their suitability for our long-distance, nonelectrified routes with many mountainous areas, we began simulated running tests that combine railcar driving test equipment and hydrogen supply equipment in November 2023. We have also been conducting research on battery railcars, which are equipped with a large running battery and can run on sections where there are no overhead wires.

Configuration of hydrogen-powered railcars



*Vehicle control device: A device that controls the operation of the electric motor by appropriately combining the output of fuel cells or a hydrogen engine and charging and discharging of batteries.

Biofuel tests

With regard to biofuels, we are conducting demonstration tests with the Railway Technical Research Institute and other JR companies for the introduction of biofuel under the "demonstration and evaluation of next-generation biodiesel fuel for railway

vehicles," a technological development project of the Railway Technology Development and Promotion Framework by the Ministry of Land, Infrastructure, Transport and Tourism. JR Central is in charge of testing the performance of diesel engines alone.

Initiatives to reduce indirect CO₂ emissions

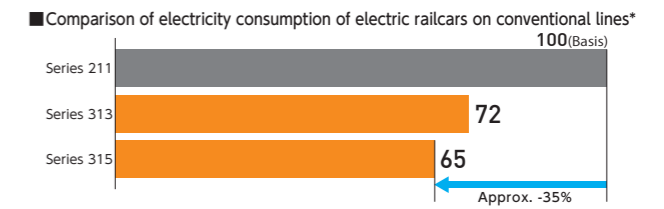
Energy-saving - Introduction of energy-conserving rolling stock -

We are actively developing and introducing energy-conserving rolling stock in an effort to further reduce the Tokaido Shinkansen's energy consumption. We have been

introducing the N700S since FY2020 to replace Series N700, with a plan to introduce 59 trainsets by FY2026. The N700S consumes 7% less electricity than the N700A

type*¹ thanks to its silicon carbide semiconductor drive system, lighter car body, reduced running resistance, and other features. As a result, the unit energy consumption*² as of the end of FY2022 decreased by approximately 32% from what it was in FY1990.

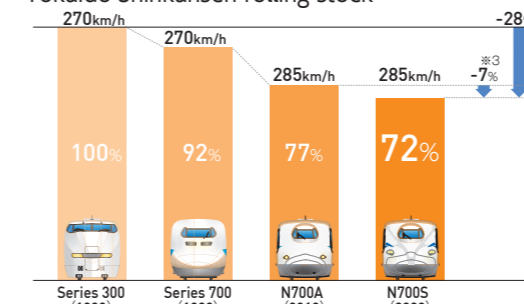
JR Central has also been striving to reduce the energy consumption of rolling stock on conventional lines. We have been introducing the new type commuter train Series 315 since FY2021 to replace Series 211, with a plan to introduce 352 cars by FY2025. With further improvements made in energy efficiency through the use of silicon carbide for the power converter, the Series 315 consumes approximately 35% less electricity than the Series 211.



*1 Generic name of N700A and the Series N700 (enhanced version)
*2 JR Central defines unit energy consumption as the amount of energy consumed when running one car for one kilometer, as total rolling stock kilometers is the value that is the most relevant to its business activities.

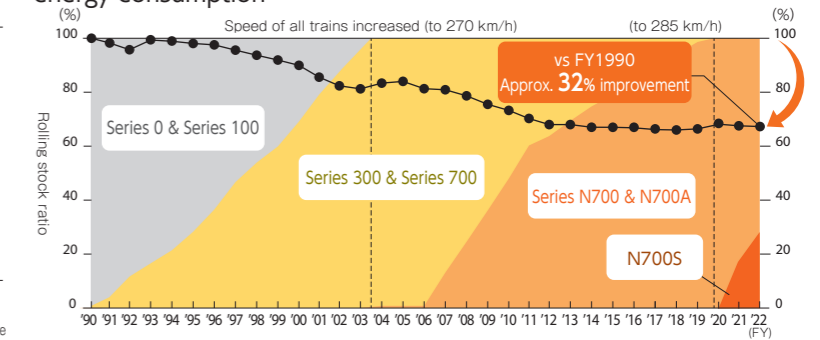
*Based on a simulated run from Toyohashi to Ogaki and from Nagoya to Nakatsugawa at the maximum speed of 120 km/h (rapid operation)

Comparison of electricity consumption by type of Tokaido Shinkansen rolling stock



Notes: 1. Based on a simulated run from Tokyo to Shin-Osaka at the maximum speed listed above
2. Figures in parentheses represent the year in which the series was introduced.
3. Includes the effect of optimization of air conditioning control method

Trend of the ratio of Tokaido Shinkansen rolling stock and unit energy consumption



Energy-saving - Facility improvement -

On the Tokaido Shinkansen, frequency converters are installed in sections east of the Fuji River to convert the 50Hz electricity received from the power company into the 60Hz electricity required for the Shinkansen to run. In the period from FY2021 to FY2027, two units of conventional, rotating-type frequency converters at Nishi-Sagami were replaced with stationary-type units with less power loss. In addition, the development of technology to suppress instantaneous large

currents caused by ground faults in overhead wires and to avoid overloads caused by train schedule disruptions, etc. has made it possible to make all frequency converters stationary. We plan to replace the two Tsunashima units with stationary types by the end of 2037. These replacements are expected to reduce electricity consumption by approximately 80 million kWh per year.

Renewable energy utilization

Of our facilities, the SCMAGLEV and Railway Park and the Hamamatsu Workshop have installed solar power generation systems. The systems generate power of approximately 450,000 kW per year each at the respective facilities. In addition, since FY2022, we have been working to achieve net zero CO₂ emissions of electric railcars on the Taketoyo Line by purchasing and using FIT non-fossil fuel energy certificates*¹ worth approximately 2 million kWh, the annual electricity volume used for the operation of electric railcars on this line, from Electric Power Development Co., Ltd.

In 2024, we plan to begin the work to install a solar power generation system that uses the Tokaido Shinkansen's trackside slopes. The maximum output of 2.7MW is planned, using trackside slopes suitable for solar power generation along the Tokaido Shinkansen (Shin-Yokohama - Nagoya). The power

output, of approximately 2.7 million kWh annually, equivalent to the power requirement of approximately 650 ordinary households, will be used mainly at nearby Shinkansen stations*².



Solar power generation using the Shinkansen trackside slope (trial installation)

*1 The FIT non-fossil fuel energy certificate is a certificate of the non-fossil fuel energy value of the renewable electricity purchased under the FIT (Feed-in Tariff) system.
*2 This plan is subject to change depending on the environment along railway lines, geological conditions, etc.

Contribution to Global Environment Preservation

Initiatives on resource recycling

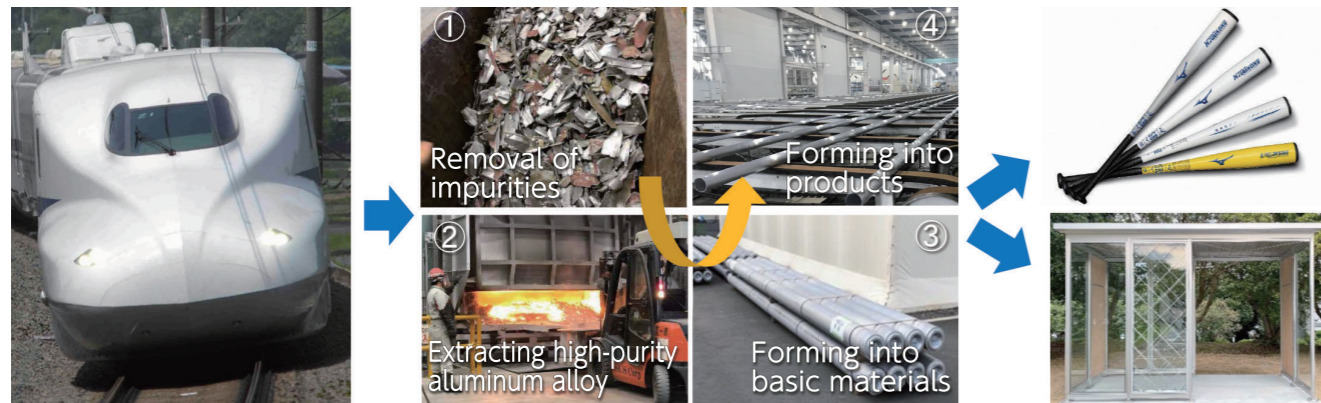
JR Central strives to recycle resources, promoting "three Rs" (reduce, reuse and recycle) initiatives, including

reducing waste discharge from construction work, utilizing rainwater, reusing uniforms, and recycling train tickets.

Recycled aluminum from Tokaido Shinkansen rolling stock

Recycled aluminum made by removing impurities from scrapped Tokaido Shinkansen train cars is molded and processed for intended purposes and reused in a variety of products. The N700S car uses recycled aluminum for interior parts. As we have ensured reliability and quality as a car body material, by establishing an aluminum sorting process, we will use recycled aluminum in parts of the car body that require strength in the future. In addition, we provide recycled aluminum as an interior construction material for the Shin-

Yoko Gateway Spot waiting room at Sagami Railway and Tokyu Railways Shin-Yokohama Station and jointly developed a metal baseball bat for children with Mizuno Corporation. Another plan is to use it for the Iida Line Shimoji Station building, which is scheduled to be rebuilt in the second half of FY2023. Recycled aluminum from Tokaido Shinkansen rolling stock can reduce CO₂ emissions from the production process by 97% compared to newly manufacturing regular aluminum, reducing environmental impact.



Manufacturing process and usage examples (metal bats and station building) of Recycled aluminum from Tokaido Shinkansen rolling stock
*Images in ② and ④ courtesy of SUS Corporation, and image of bats, of Mizuno Corporation

Tokaido Shinkansen upcycling

We process fabric from Tokaido Shinkansen seats and uniforms that had previously been discarded and use it in an "upcycling" project to recycle it into new products. In addition to recycling the fabric from seats removed in vehicle inspection and maintenance work into products such as slippers, we recycle old customer-service uniforms replaced with new ones into products such as mini shoulder bags.



Moquette slippers

Mini shoulder bag

Reuse of lead-acid batteries for level crossings

On conventional lines, we annually replace a certain number of lead-acid batteries installed in level crossing facilities as a backup power supply in case of power outages. We began in June 2023 to test a process for recycling and reusing used lead-acid batteries at some level crossing facilities, using Rent Corporation's lead-acid battery recycling technology. If the required performance and durability are confirmed through

the tests, we plan to gradually introduce recycled lead-acid batteries, which will contribute to not only the reduction of waste but also the reduction of CO₂ emissions. We note that CO₂ emissions from recycling lead-acid batteries can be reduced to levels more than 90% lower than CO₂ emissions from manufacturing them.

Sustainability initiatives at hotels

JR Tokai Hotels Co., Ltd. is striving to reduce the amount of plastic products it provides, such as by providing paper straws and take-out tableware made from alternative materials. In addition, Hotel Associa Takayama Resort has registered as Takayama City's "Hida Takayama SDGs Partner" and is contributing to the reduction of food

waste by developing Hamburg steak that uses scraps of Hida beef and menu items that incorporate locally sourced ingredients.



Tableware made from alternative materials

Sustainable public procurement

JR Central implements a green procurement policy, prioritizing the procurement of environmentally friendly materials. To this end, we established the JR Central Green

Procurement Guidelines to enhance coordination with our suppliers and work with them to contribute towards global environment preservation.

URL https://company.jr-central.co.jp/company/material_procurement/_pdf/green_guide_line.pdf

Conservation of biodiversity and coexistence with local communities

In order to reduce the impact of our business activities on ecosystems and contribute to local communities, we are working to conserve biodiversity in cooperation with external companies and organizations.

For example, in order to promote the conservation of the natural environment of the Southern Alps, we engage in the following initiatives to support local residents' efforts to conserve alpine plants and improve forests.

Conservation of alpine flora

In Japan's Southern Alps, there has been the issue of loss of flower fields due to deer depredation and sediment discharge, among others. In Nagano Prefecture, the Southern Alps Counter-Depredation Association has been implementing measures to protect alpine flora by installing deer-proof fencing and capturing Japanese deer, among other measures. JR Central entered into a Biodiversity Partnership Agreement

with the Southern Alps Counter-Depredation Association and Nagano Prefecture in March 2022 to provide partial support for the expenses necessary for alpine plant conservation activities conducted by the Association, which has contributed to the expansion of the protected area. In addition, our employees take part in the work to install deer-proof fences.

Forest maintenance

In the areas centered around the Southern Alps UNESCO Eco Park, JR Central is supporting the efforts of the local communities to maintain forests. In January 2023, we newly entered into a Forest Maintenance Agreement with the municipality of Hayakawacho and the Hayakawacho Forest Owner's Cooperative in Yamanashi Prefecture and in June 2023, a Forest Foster Parent Agreement with the Kamiina Forest Association, etc. in Ina, Nagano Prefecture.

We currently engage in support activities in four locations, including Fujikawacho, Yamanashi Prefecture, and Ooshikamura, Nagano Prefecture where we signed similar agreements in 2022. We aim to continue the effort to "protect, utilize and nurture" the natural environment of the Southern Alps as a whole, together with the people in the local communities involved.

Initiatives on compliance with laws and regulations

As part of our efforts to preserve the global environment, we annually conduct compliance surveys of all workplaces to ensure compliance with various environmental laws and regulations and appropriately manage chemical substances,

etc. Furthermore, we conduct internal audits to confirm the compliance status of each workplace and provide feedback on the results in an effort to ensure thorough compliance.

Contribution to Global Environment Preservation

Management of chemical substances

Based on the PRTR system* under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (Pollutant Release and Transfer Register Law), we report the amount of emissions and transfer of relevant substances and manage those substances appropriately.

Furthermore, while we had been using oil-based paint containing volatile organic compounds (VOC) for full body painting of trains on the Shinkansen and conventional lines, we introduced the country's first water-based paint coating

* A system whereby business operators identify the amount of chemical substances that may be harmful to human health or the ecosystem that are released from their business sites into the environment (air, water and soil) and are transferred outside of business sites as part of waste and report it to the national government. The government then tabulates and discloses the amounts released and transferred based on such reported data and estimates.

robot for the Shinkansen in our Hamamatsu Workshop in 2017, enabling environmentally friendly water-based painting. We also introduced the country's first water-based paint coating robot for the front of trains on conventional lines in the Nagoya Workshop in 2020, enabling water-based painting of some bodies.



Train body painting

Measures against pollution

As measures against water contamination and air pollution, we strive to prevent pollution by installing devices to treat waste water left after washing vehicles and burners that reduce the generation of NOx and conducting regular measurement. In addition, as measures against soil contamination, we submit a report to the

relevant organizations should any substances exceeding the standard value set be detected in soil surveys conducted at the time of landform changes or land sale, and we will take appropriate measures as instructed by laws and regulations and the administrative authorities.

Cooperation with external entities

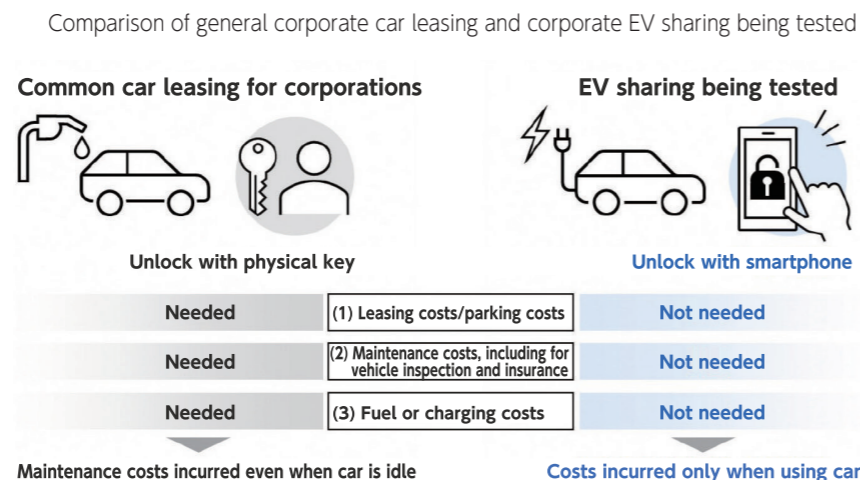
Environmental Partnership Organizing Club (EPOC)

EPOC is a group that was established in 2000 mainly by the industry sector in the Chubu region, with the aim of building a sustainable economy and society by leveraging the environmental achievements of companies. (Please see EPOC's website for more details.)

We joined EPOC in FY2002 and are currently involved in the operation of the organization as a core company. We will continue to contribute to global environment preservation through EPOC in cooperation with member companies, among others.

Joint project to test "EV sharing for corporations" at Toyohashi Station

Since July 2023, JR Central has been working with ENEOS Corporation on a project to test an EV sharing service for companies at a parking lot in front of Toyohashi Station.



In this testing project, we are verifying a business model that reduces vehicle ownership costs and reduces global environmental impact through reduction in CO2 emissions by replacing corporate vehicles used in business activities with EV sharing. We are inviting local businesses that support our purpose to participate, contributing to each company's efforts to reduce their environmental impact, and working to strengthen collaboration with the local community.

We will look into the possibility of expanding the joint project of testing an EV sharing service.

Environment-related data

Activity status and environmental accounting for FY2022

The investments, costs, and their principal effect involved in environment preservation activities during FY2022 are estimated as listed below.

Environmental accounting

| Category | Main Initiatives | Environment preservation cost (100 million yen) #1 | | Notes |
|--------------------------------------|--|--|--------------|--|
| | | Investment | Expenses | |
| Global environment preservation cost | <ul style="list-style-type: none"> Introduction of energy-conserving rolling stock Improved energy-efficiency at stations and office buildings | 1048.1 | 6.0 | <ul style="list-style-type: none"> Percentage of energy-conserving rolling stock: 100% (Shinkansen electric railcars, 100% conventional line electric railcars and diesel railcars) New production of Shinkansen N700S rolling stock New production of conventional-line Series 315 and Series HC65 rolling stock |
| Research and development cost | <ul style="list-style-type: none"> Development of energy-conserving rolling stock Development related to environment preservation along railway lines | 0.0 | 116.8 | <ul style="list-style-type: none"> Energy consumption by N700S: -28% (vs Series 300)* *Comparison between Series 300 (traveling at 270 km/h) and the N700S (traveling at 285 km/h) |
| Resource recycling cost | <ul style="list-style-type: none"> Proper disposal and recycling of station and train refuse Proper disposal and recycling of items generated from workshops and construction work | 0.3 | 73.7 | <ul style="list-style-type: none"> Recycle rate of Shinkansen rolling stock: Approximately 90% Recycle rate of uniforms: Basically 100% |
| Environment conservation cost | <ul style="list-style-type: none"> Countermeasures against noise and vibration along railway lines Proper management of environmentally hazardous substances | 82.0 | 54.7 | <ul style="list-style-type: none"> Protection of the environment along railway lines by modifying noise-blocking walls and increasing their height, shaving rail surfaces, etc. |
| Total#2 | | 1130.4 | 251.5 | |

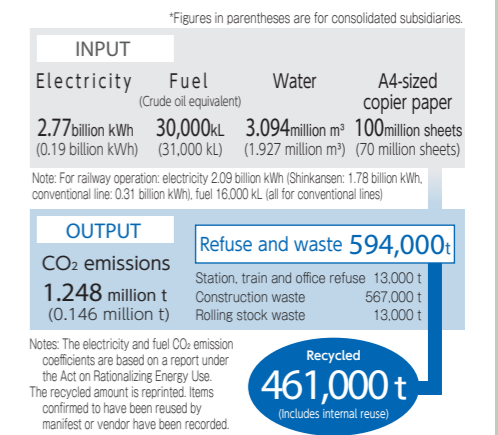
[Approach to environment preservation cost] #1. Fractions below 10 million yen are omitted. #2. Totals do not add up due to rounding.

- Compilation is applicable only to JR Central.
- The applicable period is April 1, 2022 to March 31, 2023.
- "Environmental Accounting Guidelines 2005," a publication of the Ministry of the Environment, was consulted with regard to aspects of style.
- Depreciation is not included in the calculations for expenditures.
- In the event of multiple-purpose expenditures, the full amount with greater environment preservation effect is included in the calculation.

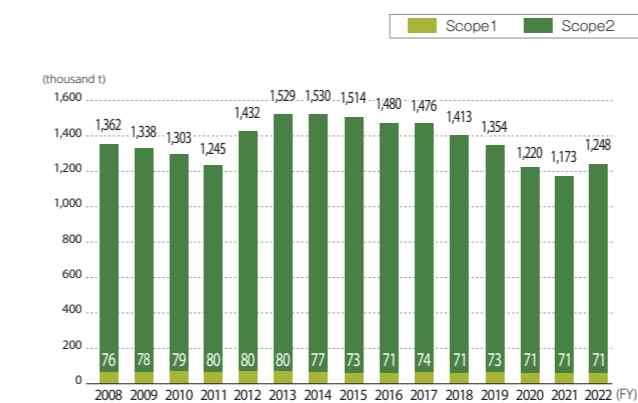
Environmental load in business activities

The main resources and energy consumed as well as waste generated in JR Central's business activities during the year FY2022 are as shown below.

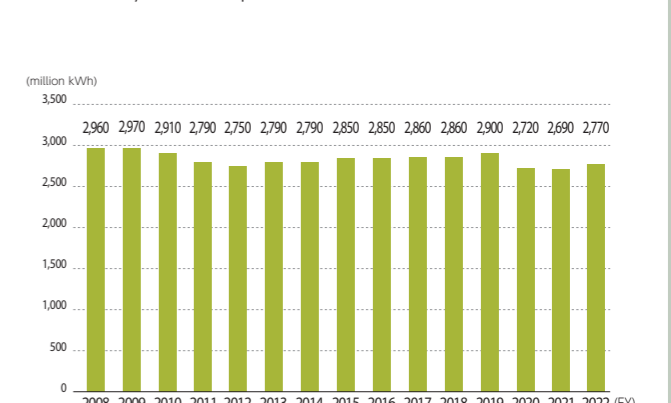
INPUT/OUTPUT



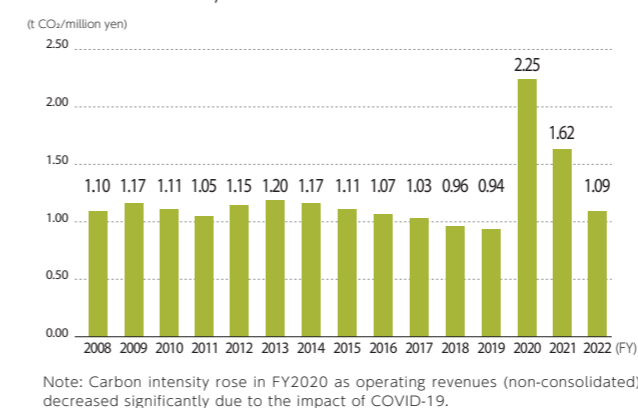
CO₂ emissions



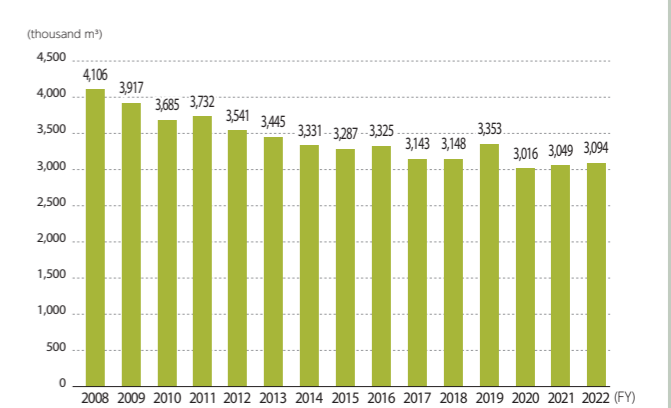
Electricity consumption



Carbon intensity




Amount of water used



Creating "Social Value" —Corporate Governance—

Board of Directors, Audit and Supervisory Board Members and Corporate Officers (as of June 23, 2023)

| | | | |
|---|---|--|---|
|  Chairman and Representative Director Shin Kaneko |  President and Representative Director Shunsuke Niwa |  Executive Vice President and Representative Director Kentaro Takeda Director General of the Corporate Planning Division and in charge of the Administrative Departments (except for Business Promotion Division) |  Executive Vice President and Representative Director Akihiko Nakamura Director General of the Business Promotion Division and in charge of specially assigned matters |
|  Executive Vice President and Representative Director In charge of the Chuo Shinkansen Promotion Division Mamoru Uno (Ph.D.) |  Executive Vice President and Representative Director In charge of the Shinkansen and Conventional Lines Operations Division and in charge of Transportation Safety Section Hiroshi Suzuki |  Executive Vice President and Representative Director In charge of the General Technology Division and in charge of Overseas High Speed Railway Project Atsuhito Mori |  Counselor and Director Koei Tsuge |
|  Director (Outside) Haruo Kasama |  Director (Outside) Taku Oshima |  Director (Outside) Tsuyoshi Nagano |  Director (Outside) Hiroko Kiba |
|  Director (Outside) Joseph Schmelzeis | | | |

Directors' Skills Matrix

| Name | Status and Responsibilities in the Company | Corporate management/ Business strategy | Governance/ Compliance | Personnel/ Education/ Labor | Finance/ Accounting | Technology development/ Environment | Railway/ Safety | Community relations/ International aspects |
|--------------------|--|--|---------------------------|-----------------------------------|------------------------|---|--------------------|---|
| Shin Kaneko | Chairman and Representative Director | ● | ● | ● | ● | | ● | ● |
| Shunsuke Niwa | President and Representative Director | ● | ● | ● | ● | | ● | ● |
| Kentaro Takeda | Executive Vice President and Representative Director Director General of the Corporate Planning Division and in charge of the Administrative Departments (except for Business Promotion Division) | ● | ● | | ● | | ● | |
| Akihiko Nakamura | Executive Vice President and Representative Director Director General of the Business Promotion Division and in charge of specially assigned matters | ● | ● | ● | | | ● | ● |
| Mamoru Uno (Ph.D.) | Executive Vice President and Representative Director In charge of the Chuo Shinkansen Promotion Division | | | | | ● | ● | |
| Hiroshi Suzuki | Executive Vice President and Representative Director In charge of the Shinkansen and Conventional Lines Operations Division and in charge of Transportation Safety Section | | ● | | | ● | ● | |
| Atsuhito Mori | Executive Vice President and Representative Director In charge of the General Technology Division and in charge of Overseas High Speed Railway Project | | | | | ● | ● | ● |
| Koei Tsuge | Counselor and Director | ● | ● | ● | | | ● | ● |
| Haruo Kasama | Director | | ● | ● | | | | |
| Taku Oshima | Director | ● | ● | | | ● | | ● |
| Tsuyoshi Nagano | Director | ● | ● | | | | ● | ● |
| Hiroko Kiba | Director | | ● | ● | | ● | ● | |
| Joseph Schmelzeis | Director | ● | ● | | | | | ● |

(Note) The above list does not represent all the expertise and experience of each respective Director.

| | | | |
|--|---|---|--|
|  Full-time Audit and Supervisory Board Member Tatsuhiko Yamada |  Full-time Audit and Supervisory Board Member (Outside) Hajime Ishizu |  Full-time Audit and Supervisory Board Member (Outside) Fumio Yamashita |  Audit and Supervisory Board Member (Outside) Makoto Hayashi |
|--|---|---|--|

Senior Corporate Executive Officers

Ataru Kimura In charge of the Secretarial Department, the Audit Department and the Public Relations Department

Takanori Mizuno Director General of the Chuo Shinkansen Promotion Division and in charge of controlling the Construction Section

Motoaki Terai Director General of the Maglev Systems Development Division of the Chuo Shinkansen Promotion Division

Corporate Executive Officers

Manabu Ishibashi Deputy Director General of the Corporate Planning Division and General Manager of the Investment Planning Department

Tatsuya Okajima Director General of the General Technology Division and in charge of controlling the Electrical Engineering Section

Hisao Sawada Deputy Director General of the Chuo Shinkansen Promotion Division and General Manager of the Planning and Promotion Department

Shigeki Miyamoto Deputy Director General of the Maglev Systems Development Division of the Chuo Shinkansen Promotion Division

Kenichi Niimi Deputy Director General of the Chuo Shinkansen Promotion Division and General Manager of the Chuo Shinkansen Construction Department

Hiroto Takeuchi (Ph.D.) Deputy Director General of the Chuo Shinkansen Promotion Division, General Manager of the Electrical Engineering Department of the Chuo Shinkansen Construction Department and General Manager overseeing the Nagoya Construction Department

Naoki Hayakawa General Manager of the Administration Department and in charge of the Legal Affairs Department and the Property Management Department

Masami Nitta Director General of the Conventional Lines Operations Division

Atsushi Tsujimura Director General of the Shinkansen Operations Division and in charge of controlling the Transportation Section

Masami Owaki Director General of the Shizuoka Branch Office and in charge of controlling the Tracks and Structures Section

Shunichi Usui Director General of the Kansai Branch Office and in charge of controlling the Rolling Stock Section

Corporate Officers

Atsushi Kamiya General Manager of the Secretarial Department

Kenji Fukami Deputy Director General of the Corporate Planning Division, General Manager of the Project Development Department and General Manager of the Tokyo Project Development Department

Takahide Saito Deputy Director General of the Corporate Planning Division and General Manager of the Information Systems Department

Kei Sakanoue (Ph.D.) Deputy Director General of the General Technology Division and General Manager of the Technology Research and Development Department

Mitsuhiro Aoki Deputy Director General of the General Technology Division and General Manager of the Technology Planning Department

Masaru Yosano Deputy Director General of the General Technology Division and Head of Consulting and Coordination Office Overseas High Speed Railway Project of the Technology Planning Department

Hiroshi Shigeta Deputy Director General of the Chuo Shinkansen Promotion Division and Deputy Director General of the Planning and Promotion Department

Yoichiro Dendo Deputy Director General of the Chuo Shinkansen Promotion Division and General Manager in charge of the Planning and Promotion Department

Hiroshi Tahata Deputy Director General of the Chuo Shinkansen Promotion Division and General Manager in charge of the Planning and Promotion Department

Toru Futamura Deputy Director General of the Chuo Shinkansen Promotion Division, General Manager of the Civil Engineering Department of the Chuo Shinkansen Construction Department and General Manager in charge of the Nagoya Construction Department

Dai Koyama Deputy Director General of the Chuo Shinkansen Promotion Division, General Manager of the Machinery Engineering Department of the Chuo Shinkansen Construction Department, General Manager in charge of the Nagoya Construction Department and in charge of controlling the Machinery Section

Takaaki Nagaosa (Ph.D.) Deputy Director General of the Chuo Shinkansen Promotion Division, General Manager in charge of the Civil Engineering Department of the Chuo Shinkansen Construction Department, General Manager in charge of the Environmental Preservation Management Department and General Manager of the Chuo Shinkansen Shizuoka Construction Office

Yuichi Hanahara General Manager of the Personnel Department

Kazushi Ide General Manager of the Finance Department

Atsushi Sakakibara Director General of the Marketing Division

Hiroataka Kawada Deputy Director General of the Business Promotion Division

Takeya Tanitsu Deputy Director General of the Business Promotion Division

Hitoshi Kato General Manager of the Construction Department and General Manager of the Nagoya Construction Department of the Chuo Shinkansen Promotion Division

Kazuma Tsukamoto Deputy Director General of the Construction Department

Yoichi Inoue General Manager of the Transportation Safety Department

Chika Takeda General Manager of the General Education Center

Masafumi Kondo Deputy Director General of the Shinkansen Operations Division and General Manager of the Transportation and Marketing Department

Akifumi Horaguchi Deputy Director General of the Shinkansen Operations Division and General Manager of the Electrical Engineering Department

Takashi Sugiyama General Manager of Hamamatsu Workshop of the Shinkansen Operations Division

Creating "Social Value" —Corporate Governance—

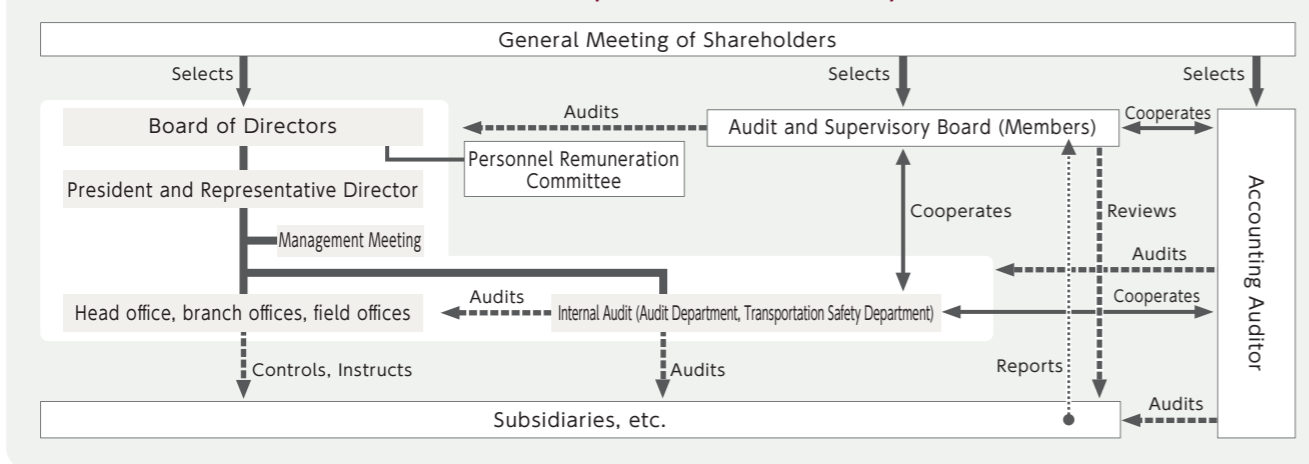
Corporate Governance

JR Central strives to enhance its corporate governance to ensure the soundness, efficiency and transparency of its business management, thereby ensuring long-term development of the company and continuous enhancement of corporate value. We have announced our stance on, and the initiatives put in place in relation to, the Corporate Governance Code in the Corporate Governance Report.*

*The Corporate Governance Report is available on our website.

https://company.jr-central.co.jp/company/esg/governance/_pdf/governance.pdf

JR Central's Corporate Governance System



Overview of corporate governance system

JR Central's Board of Directors is composed of 13 directors (including five outside directors, one of whom is female) and is chaired by the Company's Chairperson and Representative Director. JR Central also adopts an auditor system, and its Audit and Supervisory Board consists of four members (three of whom are outside auditors) (The figures are as of June 23, 2023).

The Board of Directors meets at least once a month, in principle, to make legal and appropriate decisions upon fully discussing matters stipulated by law as well as important management matters. It also supervises the work of directors. A Management Meeting is held for in-depth discussion of important management issues. Chaired by the President and Representative Director, the Management Meeting is attended by all full-time directors, Audit and Supervisory Board members, and some corporate officers. By deliberating on a wider range of management matters ahead of Board of Directors' meetings, discussions at the subsequent Board of Directors' meetings are enhanced. We request members of the Audit and Supervisory Board to attend meetings of the Board of Directors, the Management Meeting and other important meetings as we endeavor to ensure the legality of management measures during the deliberation process. In addition to these initiatives, the effectiveness of the entire Board of Directors is analyzed and evaluated based on the self-assessment performed by each director and Audit and Supervisory Board member. Based on these results, we discuss further enhancement of the functions of the Board of Directors. Furthermore, JR Central strives to ensure the appropriate execution of business by managing and providing necessary management and guidance to subsidiaries, etc.

From the perspective of ensuring the enhancement of objectivity and transparency in the determination of personnel changes, remuneration, etc. of officers, JR Central established the Personnel Remuneration Committee (chaired by an outside director) consisting of a total of five members: four independent outside directors and the President and Representative Director. The Committee deliberates with the attendance of all of its members prior to resolutions at the Board of Directors meetings regarding personnel changes, remuneration, etc. Resolutions made by the Board of Directors regarding the determination of personnel changes, remuneration, etc. are based on the content of deliberation by the Committee.

Although we introduced the corporate officer system in May 2003, we adopted an executive system in June 2012 that is aimed at further accelerating decision-making and enhancing discussions by the Board of Directors and at further clarifying the roles of directors and corporate officers, who are responsible for business execution, in order to appropriately respond to changes in the business environment surrounding the Company in a timely manner. Audit and Supervisory Board members not only attend important meetings, such as the Board of Directors' meetings and the Management Meeting, but also perform rigorous audits based on plans formulated by the Audit and Supervisory Board through audits of head office departments, railway operation divisions, branch offices, field offices, subsidiaries, etc., as well as examination of the state of business execution by directors, corporate officers and employees through exchanges of opinions with them. To ensure effective audits by Audit and Supervisory Board members, JR Central also provides an assistant system whereby its employees are assigned as full-time staff to support the work of the Audit and Supervisory Board members.

Internal audits are performed by the Audit Department on the overall work of JR Central, its major subsidiaries, and other related companies from the perspective of compliance, efficiency and effectiveness of business operation. The audits are performed by such methods as checking business materials, contracts and other documents, observing operations, and interviewing related persons, and the results are reported to management. In addition, in order to prevent operational and labor accidents, safety audits are performed by the Transportation Safety Department, the results of which are also reported to management.

JR Central receives appropriate accounting audits that are based on generally accepted audit standards by Deloitte Touche Tohmatsu LLC, which has been appointed as its accounting auditor.

Audit and Supervisory Board members, internal audit departments, and the accounting auditor cooperate with each other by exchanging information periodically or as needed, and they receive necessary information from each department involved in internal control to confirm the status of implementation of each item stipulated in the Fundamental Corporate Governance Policies.

Outside Directors and Outside Audit and Supervisory Board Members

Based on its policy to ensure the most appropriate system for executing the duties of the Company, JR Central has appointed five outside directors and three outside Audit and Supervisory Board members. The level of independence of each outside director and outside Audit and Supervisory Board member is judged in accordance with the criteria for independence established by the Tokyo Stock Exchange, Inc. in order to ensure that the opinions provided are formed from an independent standpoint and are based on the high degree of experience and insight accumulated outside the Company.

From their independent standpoints and based on the high degree of experience and insight accumulated outside the Company, JR Central receives opinions from outside directors at the meetings of the Board of Directors and the Personnel Remuneration Committee, and from outside Audit and

Supervisory Board members at meetings of the Board of Directors and the Audit and Supervisory Board. In addition, through the various opportunities to comment on our operations prior to Board of Directors' meetings, they provide us with valuable advice on economic and social developments and overall business management.

The advice given by outside directors and outside Audit and Supervisory Board members is utilized to perform audits by Audit and Supervisory Board members, internal audits, safety audits, and accounting audits, as well as to implement each item stipulated in the Fundamental Corporate Governance Policies.

Each outside director and outside Audit and Supervisory Board member is registered with the Tokyo Stock Exchange and Nagoya Stock Exchange as an independent officer with no risk of conflict of interest with general shareholders.

Main concurrent posts held by outside directors and outside Audit and Supervisory Board members [As of March 31, 2023]

| Name | Name of other company, etc. | Title |
|------------------------------------|-----------------------------|---|
| Director | Haruo Kasama | Toppan Printing Co., Ltd. External Auditor |
| | Taku Oshima | NGK Insulators, Ltd. Chairman and Representative Director Toho Gas Co., Ltd. Outside Director Aichi Employers' Association Chairman |
| | Tsuyoshi Nagano | Tokio Marine Holdings, Inc. Chairman Seiko Group Corporation Outside Director FUJIFILM Holdings Corporation Outside Director |
| | Hiroko Kiba | INPEX CORPORATION External Auditor |
| Audit and Supervisory Board Member | Kunihiro Nasu | Hyojito Co., Ltd. Outside Director |

Activity status of outside directors and outside Audit and Supervisory Board members [FY2022]

| Name | Principal activity | |
|------------------------------------|--------------------|---|
| Director | Haruo Kasama | He attended all 13 meetings of the Board of Directors held in FY2022. At the Board of Directors' meetings, he has stated his opinions based on his experience as a public prosecutor and lawyer and other expertise. He also attended the meetings of the Personnel Remuneration Committee and expressed opinions based on his extensive experience and deep insight. In addition, through various briefing opportunities prior to Board of Directors' meetings, he has provided valuable advice on economic and social developments and overall business management. Through the above-mentioned activities, he has contributed to the maintenance and further development of the sound management of the Company from the standpoint of an independent outside director. |
| Director | Taku Oshima | He attended all 13 meetings of the Board of Directors held in FY2022. At the Board of Directors' meetings, he has stated his opinions based on his experience in corporate management and other expertise. He also attended the meetings of the Personnel Remuneration Committee and expressed opinions based on his extensive experience and deep insight. In addition, through various briefing opportunities prior to Board of Directors' meetings, he has provided valuable advice on economic and social developments and overall business management. Through the above-mentioned activities, he has contributed to the maintenance and further development of the sound management of the Company from the standpoint of an independent outside director. |
| Director | Tsuyoshi Nagano | He attended all 11 meetings of the Board of Directors after his appointment on June 23, 2022. At the Board of Directors' meetings, he has stated his opinions based on his experience in corporate management and other expertise. He also attended the meetings of the Personnel Remuneration Committee and expressed opinions based on his extensive experience and deep insight. In addition, through various briefing opportunities prior to Board of Directors' meetings, he has provided valuable advice on economic and social developments and overall business management. Through the above-mentioned activities, he has contributed to the maintenance and further development of the sound management of the Company from the standpoint of an independent outside director. |
| Director | Hiroko Kiba | He attended all 11 meetings of the Board of Directors after his appointment on June 23, 2022. At the Board of Directors' meetings, she has stated opinions based on her experience as a freelance news anchor, teaching staff at a university, a member of the Council of Transport Policy and other expertise. She also attended the meetings of the Personnel Remuneration Committee and expressed opinions based on her extensive experience and broad-ranged insight. In addition, through various briefing opportunities prior to Board of Directors' meetings, she has provided valuable advice on economic and social developments and overall business management. Through the above-mentioned activities, he has contributed to the maintenance and further development of the sound management of the Company from the standpoint of an independent outside director. |
| Audit and Supervisory Board Member | Hajime Ishizu | He attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Board held in FY2022. At the Board of Directors' and the Audit and Supervisory Board meetings, he has expressed opinions based on his experience in transportation administration and other expertise. |
| | Fumio Yamashita | He attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Board held in FY2022. At the Board of Directors' and the Audit and Supervisory Board meetings, he has expressed opinions based on his experience in police administration and other expertise. |
| | Shigeo Kifuji | He attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Board held in FY2022. At the Board of Directors' and the Audit and Supervisory Board meetings, he has stated his opinions based on his experience as a public prosecutor and lawyer and other expertise. |
| | Kunihiro Nasu | He attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit and Supervisory Board held in FY2022. At the Board of Directors' and the Audit and Supervisory Board meetings, he has stated his opinions based on his experience as a lawyer and other expertise. |

Ensuring the effectiveness of the Board of Directors and the Audit and Supervisory Board

The appointment of directors is conferred to General Shareholders Meetings following a resolution of the Board of Directors concerning the appropriate election of candidates deemed to be the most fitting for the role as selected based upon a general consideration of their abilities, knowledge, work history, etc., irrespective of age, sex or nationality. The number of directors elected, the division of their roles are determined based on a comprehensive consideration of the progress of ongoing projects in accordance with a policy of establishing the most appropriate system for the execution of the Company's operations. From the perspective of ensuring the enhancement of objectivity and transparency in the determination of personnel changes, etc. of officers, JR Central established the Personnel Remuneration Committee (chaired by an outside director) consisting of a total of five members: four independent outside directors and the President and Representative Director. The Committee deliberates with the attendance of all of its members prior to resolutions at the Board of Directors meetings regarding personnel changes, etc. Resolutions made by the Board of Directors regarding the determination of personnel changes, etc. are based on the content of deliberation by the Committee.

The important concurrent positions held by directors and Audit and Supervisory Board members are as stated in the business reports and General Shareholders Meeting Reference Materials. None of the concurrently held positions hinder the directors' or Audit and Supervisory Board members' ability to

fulfill the roles and responsibilities of such positions for the Company.

The Board of Directors meets at least once a month in principle, to make legal and appropriate decisions upon fully deliberating matters stipulated by law as well as important management matters. It also appropriately supervises the work of directors by holding discussions based on reports on business execution from the directors in charge of each operation. JR Central receives valuable broad-view advice on management from outside directors, which is taken into consideration in regulating the management of the Company.

In addition, the Company analyzes and evaluates the effectiveness of the entire Board of Directors based on self-evaluation by each director and Audit and Supervisory Board member, and based on the results, the Company continues to make efforts to further enhance the functions of the Board of Directors, such as periodically reporting to the Board of Directors important matters in executing the business of the Company, including the implementation state of internal audits and the occurrence of train and labor accidents. Additionally, in order to further improve the effectiveness of the Board of Directors, the Company holds conferences for opinion exchanges between outside directors and members of the management concerning general issues of business management, and meetings of outside directors exclusively consisting of outside directors.

Based on the above, the Board of Directors finds that the effectiveness of the entire Board of Directors is sufficiently ensured.

Corporate Governance

Remuneration for officers

Directors' remuneration consists of fixed basic compensation paid on a monthly basis and a bonus paid in June each year. The basic compensation amount is determined based on a comprehensive assessment of a director's position, length of service and other factors, while the bonus amount is determined by mainly taking into consideration the business performance, including ordinary income, as well as shareholder return and other factors. The specific bonus amount for each individual is determined in consideration of the degree of responsibility assigned to the director's position, performance in ensuring safety, and performance of assigned duties. The ratio of the basic compensation to bonus we use as a guide is 3 to 1. The operating performance for FY2022 and other fiscal years are as described in the financial data on pages 31 to 34.

Outside directors' remuneration consists only of the fixed basic compensation paid on a monthly basis.

The Board of Directors makes resolutions regarding the policy for determining remuneration, etc. for these directors, and the determination of specific amounts of remuneration, etc. for each individual is left to the President and Representative Director who has knowledge of the performance of duties assigned to each director. At the 25th Ordinary General Meeting of Shareholders held on June 22, 2012, it was resolved that the total amount of remuneration for directors would be no more than 1.2 billion yen per year (of which the amount for outside directors would be no more than 50 million yen per year). At the 35th Ordinary General Meeting of Shareholders held on June 23, 2022, it was resolved that the total amount of remuneration for outside directors would be no more than 100 million yen per year, and the President and Representative Director decides the actual amounts within the range of this limit. The number of directors at the conclusion of the 25th Ordinary General Meeting of Shareholders held on June 22, 2012 was 14 (including three outside directors). The number of directors at the conclusion of the 35th Ordinary General Meeting of Shareholders held on June 23, 2022 was 12 (including four outside directors).

The remuneration for Audit and Supervisory Board members consists only of basic compensation, which is paid in a fixed amount every month, and the appropriate amount is determined through consultation among

Policy concerning cross-shareholdings

Our strategy for cross-shareholdings is based on a general consideration of the necessity thereof and is grounded in the belief that maintaining and bolstering long-term and stable business relationships through holding other companies' stock facilitate our operations and enhance our corporate value over the medium to long term. If any of our cross-shareholdings are deemed to be unnecessary in light of this policy, we assess and divest from them.

Furthermore, our Board of Directors examines whether it is beneficial

Policy for promoting constructive dialogue with shareholders

JR Central positions the General Meeting of Shareholders as an important opportunity for dialogue with shareholders and strives to improve the quality of question-and-answer sessions in the meeting as a means of contributing to sustainable growth and enhancing corporate value over the medium to long term. Dialogue with shareholders in general is overseen by the General Manager of the Administration Department, and questions, opinions and requests from shareholders are responded to, to the extent reasonable, in the form of an individual meeting or over the telephone, etc.

Of this, dialogue with institutional investors is overseen by the Director General of the Corporate Planning Division, and the IR manager assigned to the Business Administration Department of the Corporate Planning Division is in charge of dialogue response. The Administration Department is mainly in charge of dialogue (SR) with the voting rights managers of institutional investors, with whom there is a commitment for constructive dialogue on an individual basis. The IR team strives to further improve shareholder dialogue by organically coordinating with related departments. It also strives to improve dialogue measures by not only holding individual meetings but also

the Audit and Supervisory Board members. At the 20th Ordinary General Meeting of Shareholders held on June 22, 2007, it was resolved that the total amount of remuneration for Audit and Supervisory Board members would be not more than 250 million yen per year, and the actual amount is decided within the range of this limit. The number of Audit and Supervisory Board members at the conclusion of the relevant Ordinary General Meeting of Shareholders was five.

From the perspective of ensuring the enhancement of objectivity and transparency in the determination of remuneration, etc. for officers, JR Central established the Personnel Remuneration Committee (chaired by an outside director) consisting of a total of five members: four independent outside directors and the president and representative director. The Committee deliberates with the attendance of all of its members prior to resolutions at the Board of Directors' meetings regarding remuneration, etc. for officers. Resolutions regarding the policy for determining remuneration, etc. at the Board of Directors' meetings are made based on the deliberations of the Committee. Delegated by the Board of Directors, the President and Representative Director decides the specific amounts of directors' remuneration. Since the amount of remuneration for each director is determined through the above-mentioned procedures, the Board of Directors deems that the amounts conform with the decision policy.

Total amount of remuneration by officer category, total amount of remuneration by type, and number of eligible officers [FY2022]

| Category | Basic compensation | | Bonus | | Total amount (million yen) |
|---|-----------------------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| | Number of eligible officers | Total amount (million yen) | Number of eligible officers | Total amount (million yen) | |
| Director (excluding outside director) | 13 | 424 | 8 | 152 | 576 |
| Audit and Supervisory Board member (excluding outside Audit and Supervisory Board member) | 1 | 47 | - | - | 47 |
| Outside officer | 9 | 153 | - | - | 153 |

Note: Directors (excluding outside directors) and the Audit and Supervisory Board members (excluding part-time Audit and Supervisory Board members) have voluntarily returned 10% of their basic compensation from April 2022 to September 2022. The total amount of basic compensation indicated in the table above includes the amount of compensation voluntarily returned.

to retain specific cross-shareholdings after scrutinizing them in light of the medium- to long-term economic rationale and future outlook, the purpose of continuing to own such cross-shareholdings, and other factors.

Moreover, in exercising the voting rights of cross-held shares, we carefully examine the details of each agenda item and decide whether to approve or disapprove, taking into consideration the improvement of our corporate value over the medium to long term, and the sustainable growth of our business partners, etc.

implementing online meetings and facility tours, etc., where necessary, in addition to holding quarterly financial briefings. Dialogue response is made, to the extent reasonable, together with senior management and directors or Audit and Supervisory Board members, based on a general consideration of the requests and interests put forth by the institutional investor.

We also focus on enriching provision of information to shareholders by posting the information presented at financial briefings on TDnet and our website, and enhancing the content of the convocation notice of the General Meetings of Shareholders. Furthermore, we work to ensure that sufficient information concerning decisions made on important measures and important capital investments reaches as large a number of stakeholders as possible, using the mass media to deliver detailed information at regular press conferences held by the President and by presenting such information to the press.

The content of dialogue with shareholders is reported to senior management and, if necessary, feedback is provided to the Board of Directors.

Main activities (FY2022)

Based on the above-mentioned policy, we engaged in dialogue with a wide range of domestic and overseas institutional investors to whom the Company's management team and IR/SR staff responded, regardless of the investment method of the institutional investor or the field of responsibility of the person in charge, based on themes such as our business content and specific initiatives related to ESG.

In addition to providing management with feedback on the content of the dialogue, we also conduct surveys of institutional investors after individual interviews and financial briefings. Upon analyzing the feedback obtained and the needs of institutional investors, we work

to further enhance corporate governance and future dialogue by enriching disclosure and using the information for reconsidering the content of briefing materials.

| | |
|---|------------|
| - Number of dialogues held with institutional investors and analysts: | 205 |
| - Number of financial briefings and small meetings with institutional investors and analysts: | 5 |
| - Number of items of feedback from institutional investors: | 135 |

Fundamental Corporate Governance Policies

JR Central passed a resolution on the Fundamental Corporate Governance Policies* at its Board of Directors' meeting.

*Please refer to the following URL for the Fundamental Corporate Governance Policies.

URL <https://company.jr-central.co.jp/company/about/governance.html>

Compliance & whistleblowing system

JR Central not only stipulates internal regulations based on laws and other regulations but also conducts employee education on various occasions with the aim of thoroughly complying with laws and regulations when executing business. In addition, we have established an internal reporting system that allows employees to report any violations of laws and regulations during business operations,

providing contact points both internally and externally. We make thorough efforts to protect whistleblowers by stipulating in the internal regulations the non-disclosure of the whistleblower's name, elimination of any disadvantages caused by reporting, and allowing anonymous whistleblowing, and to ensure that the system is disseminated through educational opportunities available to all employees.

Risk management system

From the perspective of preventing railway operation accidents, labor accidents, and disasters, JR Central has established the "Railway Safety Promotion Committee," etc. at the head office, the Shinkansen and Conventional Lines Operations Divisions, branch offices and in each area, establishing and promoting an integrated system for safety measures from the head office to field organizations.

We also manage a control center to respond to emergencies, such as an accident or disaster, which plays a key role in information

communication, on call 24 hours a day in the Shinkansen and the Conventional Lines Operations Divisions, establishing a fast-response restoration system in which employees can be gathered at any time according to the scale or impact of an accident or disaster. Additionally, in preparation for emergencies, such as large-scale disasters, we have established the Second General Control Center for the Tokaido Shinkansen, which has an alternative function to the General Command Center.

Response to internal control related to financial reporting

Regarding internal control related to financial reporting, we periodically investigate the system and state of execution, etc. in accordance with the basic framework established by the Business Accounting Council,

and confirm that internal control is effectively functioning. We also work to maintain the level of internal control related to financial reporting by providing feedback from the investigation to our operations.

Capital policy and approach to shareholder return

We will finance our projects by issuing corporate bonds and borrowing, in addition to a long-term loan totaling 3 trillion yen acquired using the Fiscal Investment and Loan Program (FILP) to promote the construction of the Chuo Shinkansen. We do not plan to use treasury stock or pursue a capital increase at this point.

Given the nature of the railway business, which is managed from a long-term perspective, the specific dividend amount is determined considering the business environment and operating results of each fiscal year based on the Company's consistent and basic policy for the continuation of stable dividends. Regarding treasury stock, we basically believe that shareholder returns through dividends are appropriate, and at present, we have no plans to repurchase

additional shares. It should be noted that when we say "from a long-term perspective," we mean that we will not cut corners in taking the necessary steps to ensure that our rail services continue to operate steadily over the long term. For example, we will undertake such measures as large-scale renovations as well as derailment and deviation countermeasures for the Shinkansen, along with working on the Chuo Shinkansen, a large-scale long-term project. In order to gain shareholder's understanding toward the above approach, we believe that a basic policy of continuing stable dividends is necessary. Going forward, we will maintain this principle of stable dividends during the construction of the Chuo Shinkansen.

Excerpt of Corporate Governance Report (as of November 8, 2023)

JR Central has announced its stance on, and the initiatives it has put in place, in relation to the Corporate Governance Code (hereafter, "the Code") found within Corporate Governance Report*.

Further, The reasons for not implementing the principles of the code and matters disclosed based on each principle of the code are as follows.

* Corporate Governance Report can be found on the Japan Exchange Group, Inc. website.

The reasons for not implementing the principles of the Code

| General principle | Supplementary principle | Disclosed contents |
|--|---|---|
| Principle 4-1 Roles and responsibilities of the Board of Directors (1) | Supplementary principle 4-1 2 | <ul style="list-style-type: none"> In the railway business, which is our core business, the most important issue is to ensure safe and reliable transportation. Hence, our daily business, employee training, and capital investment are conducted with the highest priority on ensuring safe and reliable transportation. Therefore, we do not adopt a method of formulating a medium-term management plan covering our entire business and seeking to achieve management targets for a cross section of our business as of the end of the plan. Although we do not formulate such medium-term management plans and pursue numerical targets, we have engaged in the railway business from a long-term perspective. Specifically, long-term capital investments such as the ongoing construction of the Chuo Shinkansen and large-scale renovation works, anti-earthquake measures and rolling stock update plans for the Tokaido Shinkansen are decided from a long-term perspective and implemented steadily. Other major initiatives are also being promoted steadily, with plans and results announced as appropriate. We announce our annual earnings plan, priority measures and capital investment plan in light of the current management environment and continue to reinforce our management base steadily to maintain sound management through efficient business operation, based on the premise of ensuring safe and reliable transportation. |
| Principle 5-2 Establishing and Disclosing Business Strategies and Business Plans | | |

Disclosure based on Corporate Governance Code principles

| General principle | Supplementary principle | Disclosed contents |
|--|---|--|
| Principle 1-4 Cross-shareholdings | | <p>[1] Policy concerning cross-shareholdings Our strategy for cross-shareholdings is based on a general consideration of the necessity thereof and is grounded in the belief that maintaining and bolstering long-term and stable business relationships through holding other companies' stock facilitate our operations and enhance our corporate value over the medium to long term. If any of our cross-shareholdings are deemed to be unnecessary in light of this policy, we assess and divest from them.</p> <p>[2] Assesment of cross-shareholdings Our Board of Directors examines whether it is beneficial to retain specific cross-shareholdings after scrutinizing them in light of the medium- to long-term economic rationale and future outlook, the purpose of continuing to own such cross-shareholdings, and other factors.</p> <p>[3] Criteria for exercising voting rights In exercising the voting rights of cross-held shares, we carefully examine the details of each agenda item and decide whether to approve or disapprove, taking into consideration the improvement of our corporate value over the medium to long term, and the sustainable growth of our business partners, etc.</p> |
| Principle 1-7 Related party transactions | | <p>Transactions by directors that would constitute competition with the Company or transactions between directors and the Company require the approval of and reporting to the Board of Directors in accordance with laws and regulations and the Rules of the Board of Directors. The existence of related party transactions between directors and their close relatives and the Company is checked with the directors on a regular basis each year.</p> |
| Principle 2-4 Ensuring internal diversity including the utilization of women | Supplementary principle 2-4 1 | <p>JR Central believes that it is extremely important for management to employ diverse human resources and maximize their abilities for sustainable corporate growth. Based on this belief, sex, nationality, etc. are not considered in recruiting employees.</p> <p>Upon amendment of the Labor Standards Act, which prohibited late-night work by women in principle, in 1997, we started recruiting female employees in a large scale. Since then, the Company has appropriately evaluated aptitudes and abilities of employees without distinction between men and women and promoted them to appropriate positions based on the evaluation. As a result, the number of female employees as of the end of FY2022 was 2,325 (including 136 in management positions). A female employee was appointed as a Corporate Officer in June 2021 and another female was appointed as a Director in June 2022 for the first time in the Company's history. Female employees are active in many fields, including as Department General Managers and Section Managers.</p> <p>To further promote women's empowerment, the Women's Empowerment Project team has been in place since FY2020 directly under the General Manager of the Personnel Department. To improve the quality of human resources, it is necessary to create a company where all employees, regardless of gender, can feel motivated and fully exercise their abilities. Especially as a railway company, to provide services that satisfy diverse customers, JR Central believes that it is important to allow diverse employees to share ideas and exercise their abilities to the fullest regardless of their gender.</p> |

Principle 2-4
Ensuring internal diversity including the utilization of women

Supplementary principle
2-4 1

Based on this belief, after repeated discussions, the Women's Empowerment Project has established the "positive action plan for promoting women's empowerment" and the "General Employer Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children." The positive action plan shows numerical targets for the period from FY2021 to FY2025, such as raising the hiring rate of women to 25% or more and increasing the number of female managers (those in positions of Assistant Manager and Supervisor levels or higher) to 1.5 times that of the end of FY2020 level, and efforts are being made to achieve them. For details of the numerical targets and the human resource development initiatives based on the targets, please see below.

► **Positive Action Plan for Promoting Women's Empowerment**

URL https://company.jr-central.co.jp/others/action_plan/_pdf/woman.pdf

► **General Employer Action Plans in Accordance with the Act for Measures to Support the Development of the Next Generation**

URL https://company.jr-central.co.jp/others/action_plan/_pdf/nurturing.pdf

At the same time, JR Central has been working to establish an environment in which employees can feel motivated and fulfilled in their work and play active roles for a long time and to improve their working conditions. For example, we have established a childcare leave period that exceeds the statutory period, a system to allow flexible work arrangements, a re-employment system for employees who quit due to childcare, etc., and a system to treat employees as having worked during their period of childcare leave in qualification for taking promotion exams. Various subsidy programs have also been established. Going forward, in order for all employees, regardless of gender, to be motivated to work with enthusiasm in active roles over many years, JR Central will make further efforts to enhance various programs.

Details of our human resource initiatives, including ensuring diversity, are provided in "Initiatives for Human Resources to Support JR Central's Sustainable Growth" of the Integrated Report. So please refer to the URL below.

Integrated Report: <https://global.jr-central.co.jp/en/company/ir/annualreport/index.html>

JR Central has worked to secure human resources with the necessary skills and aptitudes to support its future business, regardless of nationality, etc. Therefore, we do not see ourselves in a position to set specific measures or targets regarding promotion of foreigners to managerial positions.

Since most of the railway skills are improved to higher levels only through accumulation of experience, for which long-term employment is useful, we do not conduct large-scale mid-career recruitment. Therefore, we are not in a position at this moment to set measures or targets regarding promotion of mid-career hires to managerial positions. However, if the need arises for various measures due to changes in the business environment surrounding our company, we will consider the matter depending on the situation at that point.

Principle 2-6

Roles of Corporate Pension Funds as Asset Owners

This principle does not apply to the Company since it does not adopt a defined benefit pension plan. The Company adopts a defined contribution pension plan. Since management of said plan affects the asset formation of employees enrolled in the plan, the Company provides appropriate education on asset management.

[1] The Company was established as part of the reform of Japanese National Railways (JNR) in 1987 with the mission of maintaining and developing the Tokaido Shinkansen, Japan's main transportation artery linking Tokyo, Nagoya and Osaka, and the network of conventional lines in the Tokai area centered on Nagoya and Shizuoka in an integrated manner into the future. We have also established a management philosophy of "contributing to the development of Japan's main transportation artery and social infrastructure" as the direction to aim for as our business is set to expand in the future such as by operating three generations of railways: conventional lines, the Tokaido Shinkansen, and the Chuo Shinkansen. This management philosophy can be found on our website.

URL <https://global.jr-central.co.jp/en/company/about/outline.html>

• JR Central's basic policy is to continue to fulfill its aforementioned social mission stably and sufficiently over the long term by continually working to provide services that will be chosen by customers and improving business efficiency, with ensuring safe and reliable transportation as its top priority. This basic policy is described in the "Business Strategy" section of our Integrated Report, which can be found at the following link.

► **Integrated Report**

URL <https://global.jr-central.co.jp/en/company/ir/annualreport/>

• The specific measures to be implemented this fiscal year based on this basic policy are described in "Key Measures and Capital Investment," which can be found at the following link.

► **Key Measures and Capital Investment**

URL <https://global.jr-central.co.jp/en/company/ir/capital-investment/>

[2] Our basic approach to corporate governance is described in "1.1. Basic Approach" of this report.

[3] Our policies and procedures in determining the remuneration of directors are described in the "Disclosure of policy for determining the remuneration amount and its calculation method" section of "1.1. Organizational Composition and Operation" of this report.

[4] The appointment of directors and Audit and Supervisory Board members is conferred to General Meetings of Shareholders following a resolution of the Board of Directors concerning the appropriate election of candidates deemed to be the most fitting for the role as selected based upon a general consideration of their abilities, knowledge, work history, etc., irrespective of age, sex or nationality, based on a policy of ensuring the most appropriate system for conducting the Company's business. The appointment and dismissal of representative directors are carried out from the same perspective as the above in accordance with laws and regulations and the Rules of the Board of Directors.

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| | | <p>From the perspective of ensuring the enhancement of objectivity and transparency in the determination of personnel changes, etc., of officers, JR Central established the Personnel Remuneration Committee consisting of a total of five members: four independent outside directors and the President and Representative Director. The Committee deliberates with the attendance of all of its members prior to resolutions at Board of Directors meetings regarding personnel changes, etc.</p> <p>Resolutions made by the Board of Directors regarding the determination of personnel changes, etc., are based on the content of deliberation by the Committee.</p> <p>[5] Candidates for director and Audit and Supervisory Board member are elected appropriately in light of their work history, etc., described in the General Shareholders Meeting Reference Materials. The Company makes the necessary disclosures concerning changes in representative directors in accordance with the criteria for timely disclosure established by the Tokyo Stock Exchange, Inc.</p> |
| Principle 3-1 | Supplementary principle 3-1 3 | <p>[1] Initiatives on sustainability</p> <p>Our specific initiatives on sustainability are described in the following sections, sub-sections and other parts of the Integrated Report as well as in our Securities Report: "Positive Cycle of ESG Management," "JR Central's ESG Management," "Building safe and resilient infrastructure," "Building Relationships with Material Suppliers," "Improving the Convenience of Facilities (Use of Barrier-Free Designs, Etc.)," "Cooperation with Local Communities," "Contribution to Global Environment Preservation."</p> <p>[2] Investments in human capital and intellectual property</p> <p>Investments in human capital and intellectual property are described in "Initiatives for human resources to support JR Central's sustainable growth" and "Promotion of Technological Development" of our Integrated Report.</p> <p>[3] Climate change-related risks and opportunities</p> <p>Regarding climate change, JR Central and the JR Central Group are working to reduce CO₂ emissions further, aiming to achieve net zero emissions in 2050 based on the Japanese government's 2050 carbon-neutrality policy, as well as reduce emissions by 46% in FY2030 compared to FY2013 levels. We have also expressed our support of the TCFD recommendations in May 2021 and will analyze climate change-related risks and opportunities to support stable business operations over the long term while contributing to the realization of a sustainable society. For further details, see "JR Central's ESG Management" and "Targets toward carbon neutrality and initiatives for the TCFD's recommendations."</p> <p>Our Integrated Report can be found at the following link.</p> <p>▶ The Integrated Report can be found at the following</p> <p>URL https://global.jr-central.co.jp/en/company/ir/annualreport/</p> <p>▶ Our approach to global environment conservation can be found at the following</p> <p>URL https://global.jr-central.co.jp/en/company/environment/</p> |
| Principle 4-1 | Supplementary principle 4-1 1 | <p>The Board of Directors makes decisions on matters stipulated in laws and regulations and the Articles of Incorporation, matters delegated by the General Meeting of Shareholders, and important matters concerning business execution. The specific matters are set forth in the Rules of the Board of Directors.</p> <p>Furthermore, the Board of Directors designates the division of duties among directors and the responsibilities of corporate officers. It also defines the matters under the control of the departments and the authority of the departments according to the internal rules to clarify the scope of delegation to directors and corporate officers.</p> |
| Principle 4-9 | | <p>The level of independence of each outside director and outside Audit and Supervisory Board member is judged in accordance with the criteria for independence established by the Tokyo Stock Exchange in order to ensure that the opinions provided are formed from an independent standpoint and are based on the high degree of experience and insight accumulated outside the Company.</p> |
| Principle 4-10 | Supplementary principle 4-10 1 | <p>From the perspective of ensuring the enhancement of objectivity and transparency in the determination of personnel changes, remuneration, etc., of officers, the Company has established the Personnel Remuneration Committee consisting of a total of five members: four independent outside directors (Haruo Kasama, Taku Oshima, Tsuyoshi Nagano, Hiroko Kiba) and the President and Representative Director (Shunsuke Niwa). The Committee deliberates with the attendance of all of its members prior to resolutions at Board of Directors meetings regarding personnel changes and remuneration, etc. Independent outside directors provide opinions based on their experience as corporate managers, public prosecutor and lawyer. Resolutions made by the Board of Directors regarding the determination of personnel changes, remuneration, etc., are based on the content of deliberation by the Committee. The secretariat is established in the Secretarial Department.</p> |
| Principle 4-11 | Supplementary principle 4-11 1 | <p>The appointment of directors is conferred to General Meetings of Shareholders following a resolution of the Board of Directors concerning the appropriate election of candidates deemed to be the most fitting for the role as selected based upon a general consideration of their abilities, knowledge, work history, etc., irrespective of age, sex or nationality. The number of directors and the division of their roles are determined based upon a general consideration of the progress of ongoing projects under a policy of establishing the most appropriate system for conducting the Company's business.</p> <p>From the perspective of ensuring the enhancement of objectivity and transparency in the determination of personnel changes, etc., of officers, the Company has established the Personnel Remuneration Committee consisting of a total of five members: four independent outside directors and the President and Representative Director. The Committee deliberates with the attendance of all of its members prior to resolutions at Board of Directors meetings regarding personnel changes, etc. Resolutions made by the Board of Directors regarding the determination of personnel changes, etc., are based on the content of deliberation by the Committee.</p> |

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| | | <p>The directors' skills are disclosed in the form of a Skills Matrix.</p> <p>To achieve our management philosophy of "contributing to the development of Japan's main transportation artery and social infrastructure" at a higher level, the skills consist of the following seven, which are useful for fulfilling directors' roles of determining business execution and supervising directors' execution of duties, in light of the nature of our business: corporate management, business strategy; governance, compliance; personnel, education, labor affairs; finance, accounting; technological development, environment; railway safety; and community relations, international aspects.</p> |
| Principle 4-11 | Supplementary principle 4-11 2 | <p>Important concurrent positions held by directors and Audit and Supervisory Board members are as stated in the business reports and General Shareholders Meeting Reference Materials. None of the concurrently held positions hinder the directors' or Audit and Supervisory Board members' ability to fulfill the roles and responsibilities of such positions for the Company.</p> |
| | Supplementary principle 4-11 3 | <p>The Company's Board of Directors meets at least once a month, in principle, to make decisions on not only legally required matters but also important management matters in a lawful and appropriate manner after providing thorough explanation of the purpose and progress of measures and discussing them fully. The status of directors' execution of duties is also reported as necessary by the director in charge of each duty and is supervised appropriately. Outside directors provide effective advice on management from a higher perspective and bring discipline to management.</p> <p>The Board of Directors analyzes and evaluates the effectiveness of the entire Board based on self-evaluation by each director and Audit and Supervisory Board member. Based on the results of the analyses and evaluations, the Company works to further enhance the functions of the Board. Additionally, in order to improve the effectiveness of the Board of Directors, roundtable discussions are held between outside directors and members of management to exchange opinions on general management issues, and outside director meetings consisting solely of outside directors are conducted.</p> <p>Based on the above, the Board of Directors finds that the effectiveness of the entire Board of Directors is sufficiently ensured.</p> |
| Principle 4-14 | Supplementary principle 4-14 2 | <p>The Company's directors and Audit and Supervisory Board members not only possess sufficient ability and insight to fulfill their roles and responsibilities but also carry out their duties responsibly while striving voluntarily to improve their expertise through efforts such as actively participating in external training programs to fulfill the mandate given by shareholders.</p> <p>Necessary measures are taken to ensure that the directors and Audit and Supervisory Board members appropriately fulfill their responsibilities, such as notifying the details of any amendments in relevant laws and regulations at meetings and providing training opportunities to share the Company's management issues to enable the Company to make appropriate decisions.</p> |
| Principle 5-1 | | <p>[1] Policy and promotion structure for dialogue</p> <p>The Company has established the following Policy for Promoting Constructive Dialogue with Shareholders.</p> <ul style="list-style-type: none"> The Company positions General Meetings of Shareholders as an important opportunity for dialogue with shareholders and strives to enhance question and answer sessions in order to contribute to sustainable growth and an increase in corporate value over the medium to long term. Dialogue with shareholders in general is overseen by the head of the Administration Department, and shareholders' questions, opinions and requests are addressed in individual meetings and phone calls to the extent reasonable. Dialogue with institutional investors is overseen by the Director General of the Corporate Planning Division, with the IR staff assigned to the Supervision Department of the Corporate Planning Division responsible for dialogue. The Administration Department is mainly in charge of dialogue (SR) with the voting rights managers of institutional investors. All the relevant personnel are committed to constructive dialogue. We strive to enhance the content of dialogue by collaborating organically with different departments of the Company. Furthermore, in addition to individual meetings, we have been enhancing our means of dialogue by holding quarterly results presentations, online conferences, facility tours, and other events as needed. Upon engaging in dialogue, the wishes and interests of institutional investors are taken into consideration comprehensively and are addressed to the extent reasonable, including by senior management, directors, and Audit and Supervisory Board members. In addition to releasing information on results presentations on TDnet and the Company's website, we strive to enhance the provision of information to shareholders through efforts such as increasing the contents of convocation notices of General Meetings of Shareholders. We also strive to ensure that sufficient information is widely available to more stakeholders through the mass media by disclosing information on important measures and important capital investment decisions in detail through the President's regular press conferences and press releases. The content of dialogue with shareholders is reported to senior management and, if necessary, feedback is provided to the Board of Directors. No insider information is communicated in our dialogue with shareholders. We have set the period beginning 14 days prior to the quarterly results announcement date as a "quiet period" when we refrain from dialogue concerning results information. <p>[2] Track record</p> <p>Based on the above-mentioned policy, we engaged in dialogue with a wide range of domestic and overseas institutional investors to whom our management team and IR/SR staff responded, regardless of the investment method of the institutional investor or the field of responsibility of the person in charge, based on themes such as our business content and specific initiatives related to ESG.</p> <p>In addition to providing management with feedback on the content of the dialogue, we also conduct questionnaire surveys of institutional investors after individual meetings and results presentations. Upon analyzing the feedback obtained and the needs of institutional investors, we work to further enhance corporate governance and future dialogue by enriching disclosure and using the information for reconsidering the content of presentation materials.</p> |

