

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. Refining knowledge and experience regarding high-speed railway systems through the consulting & coordination business leads to human resource development and increased technical capability.

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 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

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

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 ten 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.



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

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).

Creating "Social Value" –Social–

Building Relationships with Material Suppliers



Policy on material procurement

Ensuring safe and reliable transportation

In order to support safe and reliable railway transportation, we carry out material procurement activities in line with our basic approach of procuring higher-quality and reliable materials at reasonable prices. 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.

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-sales 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.

Fair and equitable transactions

In order to ensure safe and reliable transportation, which is the top priority in the railway business, we believe it is important to continually seek better materials and new suppliers both in Japan and overseas. In the procurement process, we will treat both domestic and foreign companies equally and without discrimination in terms of the content and conditions of various examinations, and contract procedures and requirements we expect of suppliers

in those procedures. We also recognize that in order to procure materials both in Japan and from abroad, it is important to provide companies wishing to do business with us with information regarding material procurement (e.g. material procurement guide, what is expected of suppliers, criteria for selecting materials, and actual and expected procurement amount of materials).

Compliance with laws, regulations and social norms

As a railway operator with high public interest and social mission, we will comply with all applicable laws and regulations and respect the norms and ethics of society together with our suppliers.

Mutual development with suppliers

In order to procure better materials, we place importance on daily communication with suppliers and other parties in the procurement supply chain to build relationships of trust.

Consideration for the global environment

In order to further enhance the environmental superiority of railways, we will promote material procurement that takes into consideration protection of the global environment and reduction of environmental impact.

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.

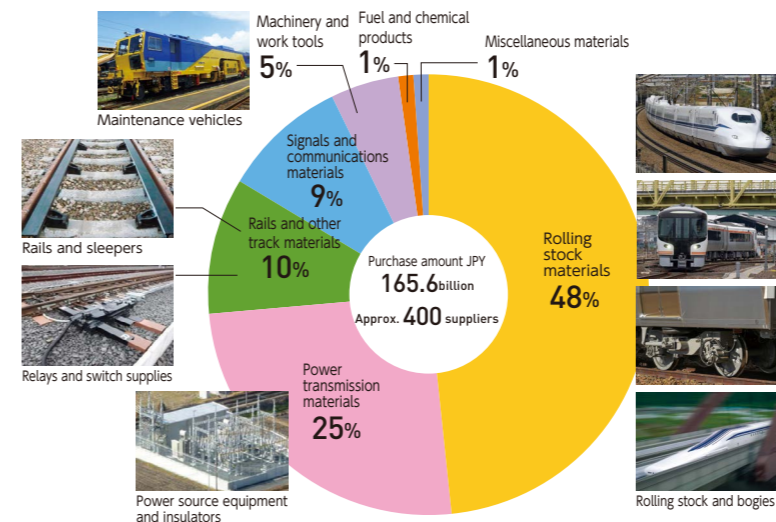


Conducting a quality audit of rolling stock components

Respect for human rights

We will endeavor to understand human rights correctly and promote material procurement that respects the human rights of all people, in cooperation with our suppliers.

Actual procurement amount of main materials (FY2023)



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.

