

# Our Goal—A Corporate Culture that Places Top Priority on Safety

*West Japan Railway Company (JR West)  
Corporate Communications Department*

## Introduction

JR West was founded in April 1987 when Japanese National Railways (JNR) was divided and privatized, so April 2007 marked our 20th anniversary. The objective of the privatization reforms was to revitalize the railway business—to achieve this, we quickly established an independent and responsible management system and addressed a wide range of issues in order to gain the trust of our customers. However, all this was undone when the Fukuchiyama Line disaster on 25 April 2005—costing 106 lives and injuring more than 500 others—lost the trust of our customers and Japanese society in general. We would like to take this opportunity to apologize sincerely again to the families of those who were killed in the accident, those who were injured, and all the people who were caught up in the accident in any way. We are still doing all we can to help the accident victims and are reforming the company to create a ‘Corporate Culture Placing Top Priority on Safety’ with the objective of trying our utmost to regain our customers’ trust. This article highlights these efforts, and also uses the opportunity of our 20th anniversary to look back on our past activities and describe our outlook for the future.

## JR West History

### Progress over 20 years

JR West inherited rail operations in the Kansai area from JNR. There was especially intense competition with large private railway companies in this region, and there were no very profitable sections, such as the Tokyo metropolitan area or the Tokaido Shinkansen. At its establishment, JR West was seen as having the weakest business of the three JR companies on Honshu and we expected difficulties soon after the foundation.

In facing this harsh business environment, we started by formulating our Corporate Philosophy, outlining the direction of JR West and how to share these values with all staff. In addition, we established suggestion boxes so customers could feedback their opinions on our service. This helped focus our management objective of always putting customers first and reflecting their opinions in our policies.

Using this as a springboard, we turned the sense of crisis after privatization into an advantage by developing a wide range of measures to improve safety and service, and taking action to strengthen and enhance our business. However, while implementing these measures, the Great Hanshin-Awaji Earthquake struck the Kobe region in January 1995, causing huge damage to JR West. Although it was a difficult challenge, our staff overcame the many problems we faced.

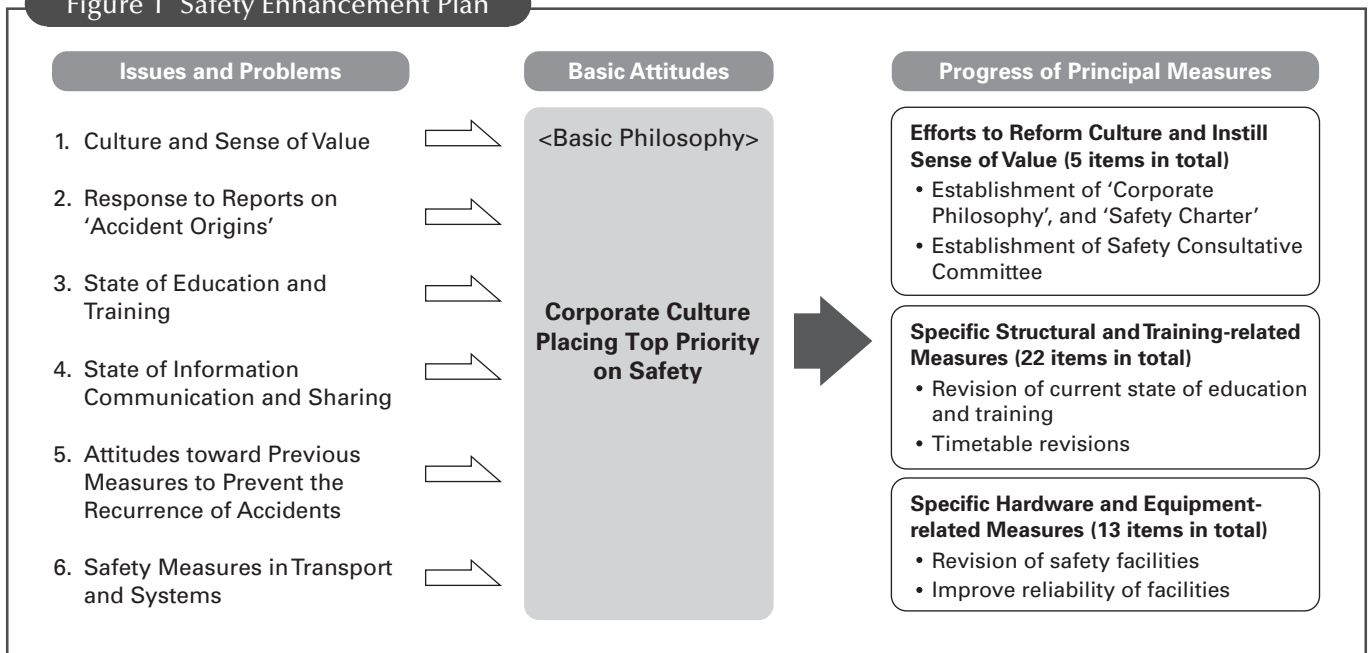
Another important objective was genuine privatization and we were finally listed on the stock exchange on 8 October 1996. Amendments to the JR legislation in December 2001 formalized the full privatization; JRJT JNR Settlement Headquarters finally sold all its remaining shares in March 2004 to make JR West fully privatized in true terms too. As such, we had achieved a key goal. Although we have always recognized that safety has priority in our business, the terrible accident on the Fukuchiyama Line killing 106 people and injuring over 500 others destroyed the trust built between JR West and our customers and society as a whole.

## Implementing Safety Enhancement Plan

Although we had always recognized safety as a management priority, the terrible accident on the Fukuchiyama Line made us re-examine every aspect of our organization. Immediately after the accident, we did our utmost to support the victims. We were deeply aware of the accident severity and determined to review our entire business to identify the issues we needed to address to prevent a recurrence of this tragedy. We wanted to implement these measures quickly, so 31 May 2005 saw publication of our Safety Enhancement Plan (Fig. 1) allowing us to start acting on creating a ‘Corporate Culture Placing Top Priority on Safety.’

The plan comprised 40 items and is divided into three categories—Efforts to Reform Culture and Instill a Sense of Value, Specific Structural and Training-related Measures for Promoting Safety, and Specific Hardware and Equipment-related Measures for Promoting Safety. We are determined to help our customers to feel safe and reassured as soon as possible, and are continuing to spread the principles of this plan through the company.

Figure 1 Safety Enhancement Plan



## Formulation of new Corporate Philosophy and Safety Charter

The terrible Fukuchiyama Line accident prompted us to undertake a comprehensive review of our Corporate Philosophy forming the basis of company policy and the values shared by all staff. We drew up a new philosophy after involving all staff in company-wide discussions, and also asking the opinions of outside experts. At the same time, we emphasized to everyone that safety—the first item in the Corporate Philosophy—is the value with top priority. In line with this, we revised the Safety Charter code of conduct outlining how every staff member must act to ensure safety. We are continuing to disseminate and apply the principles established in these two documents.

## Review of medium-term targets

In October 2006, we reviewed our group's Medium-Term Management Targets to make becoming a 'Corporate Culture Placing Top Priority on Safety.' the top priority. We also planned how to spread and apply the new Corporate Philosophy and Safety Charter, and full implementation of the Safety Enhancement Plan. These actions aimed to establish quick recovery of customer trust and sustained development of the corporate group. Furthermore, specific actions were taken on 6 themes identified as important management issues—Sincere Response to Accident Victims, Promotion of Measures to Enhance Safety, Promotion of Reforms, Provision of Quality Services and Products Preferred by Customers, Enhancement and Preservation of Technology, and Expertise and Promotion of Technological Development, and Performance of Corporate Social Responsibility (CSR).

Figure 2 New Corporate Philosophy and Safety Charter

## Safety Charter

We, ever mindful of the railway accident that occurred on April 25, 2005, conscious of our responsibility for protecting the truly precious lives of our customers, and based on the conviction that ensuring safety is our foremost mission, establish this Safety Charter.

1. Safety is ensured primarily through understanding and complying with rules and regulations, a strict execution of each individual's duty, and improvements in technology and expertise, and built up through ceaseless efforts.
2. The most important actions for ensuring safety are to execute basic motions, to rigorously enforce safety checks, and to implement flawless communication.
3. To ensure safety, we must make a concerted effort, irrespective of our organizational affiliation, rank or assignment.
4. When uncertain about a decision, we must choose the most assuredly safe action.
5. Should an accident occur, our top priorities are to prevent concomitant accidents, and to aid passengers.

## Activities in Each Business Field

### San'yo Shinkansen

JR West's operations area consists of two metropolitan areas and 16 prefectures in the Hokuriku, Kansai, Chugoku and north Kyushu regions. We operate the San'yo Shinkansen, conventional intercity lines, and the urban network in Kyoto, Osaka, and Kobe. About 4.9 million people ride our trains daily (FY2005).

The March 1993 timetable revision marked the launch of *Nozomi* on the San'yo Shinkansen to provide customers with the most convenient and comfortable services. A further timetable revision in March 1997 introduced Series 500 *Nozomi* trains running at speeds up to 300 km/h. Another timetable revision in March 2000 introduced the *Hikari Rail Star*, which—in addition to greatly cutting *Hikari* journey times—introduced special shinkansen services, such as four-seat rows for reserved seating, office seats, quiet cars, and special seating compartments. The October 2003 timetable

revision greatly expanded the number of *Nozomi* services and increased the opportunity to ride them by introducing stops at stations in Himeji, Fukuyama, Tokuyama, and Shin-Yamaguchi. *Nozomi* fares were also revised and non-reserved seats introduced.

Our J-West Card service was launched in Feb 2006, and July that year saw extension of the Express Reservation service to the full length of the Tokaido and San'yo shinkansen. Clearly, we have put a lot of effort into improving services for customers.

### Conventional lines

We have taken a proactive approach to improving customer convenience over the years.

To meet the diversifying and more sophisticated demands of customers using the urban network in Kyoto, Osaka and Kobe, we have improved a wide range of services, including introducing new trains, opening new stations, increasing frequency, increasing direct service to city centres, improving station access, and introducing line nicknames.

### JR West Corporate Philosophy

1. We, being conscious of our responsibility for protecting the truly precious lives of our customers, and incessantly acting on the basis of safety first, will build a railway that assures our customers of its safety and reliability.
2. We, with a central focus on railway business, will fulfill the expectations of our customers, shareholders, employees and their families by supporting the lifestyles of our customers, and achieving sustainable growth into the future.
3. We, valuing interaction with customers, and considering our business from our customers' perspective, will provide a comfortable service that satisfies our customers.
4. We, together with our Group companies, will consistently improve our service quality by enhancing technology and expertise through daily efforts and practices.
5. We, deepening mutual understanding, and respecting each individual, will strive to create a company at which employees find job satisfaction and in which they take pride.
6. We, acting in a sincere and fair manner in compliance with the spirit of legal imperatives, and working to enhance corporate ethics, will seek to be a company trusted by communities and society.



Series 500 *Nozomi* and *Hikari Rail Star*—main trains on San'yo Shinkansen



J-West Card with convenient Express Reservation function



The ICOCA card service area is being expanded.

The J-Through Card service was launched on 26 February 1999 at all stations in the urban network with automatic ticket gates. 1 November 2003 marked the start of the ICOCA IC card service, which became interoperable with JR East's Suica card on 1 August 2004, and the PiTaPa card issued by the Surutto Kansai Association. The SMART ICOCA service, supporting e-money, was introduced to accompany the launch of the J-West Card.

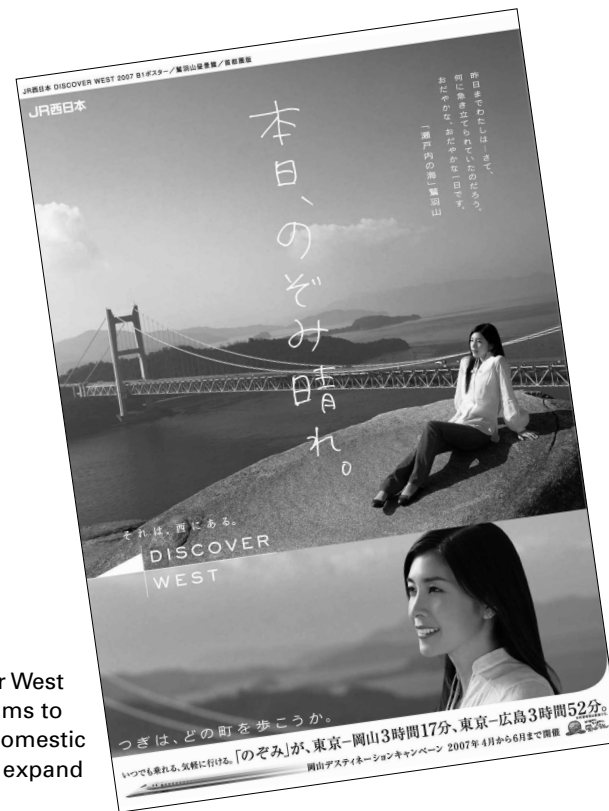
We have endeavoured to provide more comfortable service for customers riding intercity limited expresses by introducing new models, such as the *Thunderbird* and *Ocean Arrow*, and have upgraded in-train facilities too. Local lines make up about half of our total track length, and improving the management of such lines has been an important issue. With this in mind, beginning in FY1990, we established Line Operations Departments at constant intervals along lines to integrate operations and deliver more efficient and agile management. This concept was also applied to main lines by establishing Area Operations Departments in October 1995 to improve operations by simplifying the organization and integrating operations. Different operational measures were taken to suit the different characteristics of each line.

## Marketing

In marketing, we have held a number of promotional campaigns to rejuvenate domestic tourism and expand railway use. These include the Santo Monogatari Campaign, launched in December 1989; the Kyushu Symphonic Journey Campaign launched in February 1991 to promote tourism in Kyoto, Osaka, and Kobe; the Discover West Campaign launched in October 2003; and the Japanese Beauty Hokuriku Campaign launched in April 2004.

In March 2000, we introduced the '5489' telephone reservation service, and in November of the same year, we launched the *JR-odekake net* service, a website offering railway information, such as train time searches and special promotional campaigns. When launching the website, we also started the 'e5489' Internet-based train reservation service. In June 2004, the separately managed Information Centre, Telephone Reservation Centre and 'Kiku-zo Suggestion Corner' were integrated into the single JR West Customer Centre as a channel for customers to contact JR West by telephone or e-mail about any issue. We are making great efforts to reflect customer feedback in our future policies.

In March 2007, we opened Sakura-Shukugawa Station on the JR Kobe Line between Nishinomiya and Ashiya and increased the number of non-smoking carriages on limited expresses to coincide with a timetable revision. Customer convenience was further enhanced in July 2007 by the introduction of new Series N700 trains on the San'yō Shinkansen and a revised timetable.



The Discover West Campaign aims to rejuvenate domestic tourism and expand railway use.

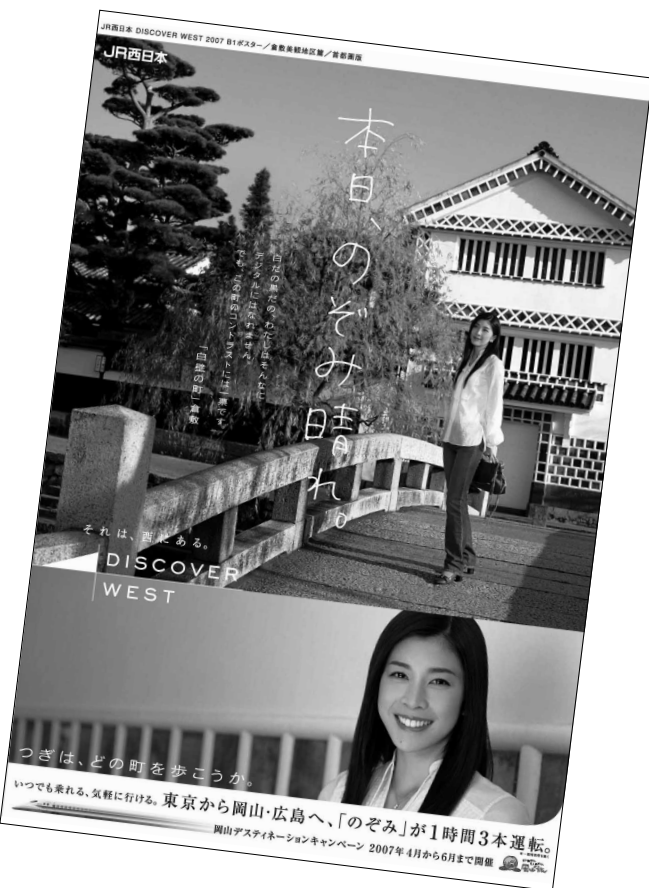


September 2007 marked the 10th anniversary of the Kyoto Station opening.

## Affiliated Businesses

JR West's affiliated businesses have been developed with a central focus on providing services for rail customers and to ensure effective use of stations and real-estate assets near stations. All companies in the JR West group are independent and responsible for managing their business development. They have increased the income and earnings of the group as a whole by fully exploiting their unique management resources and competitive strengths. In April 2001, the group organized JR West departments and group companies in the same business field into single entities to strengthen the business foundation of each management unit by making effective use of assets and maximizing consolidated earnings.

The *NexStation Plan* formulated in February 2003 aims to improve facilities and create next-generation stations that are attractive and easy to use. Under this plan, we are renovating stations by developing commercial districts and providing new services, as well as making stations more functional and appealing. We will continue our development plans with further city-centre developments, shopping-centre renovations, and commercial developments on the sites of old company housing. We are also redeveloping Osaka Station—our largest—to make it a lively transport hub befitting a great city and offer customers a comfortable and enjoyable experience. The renovation and construction of the new North Building are proceeding well with the grand opening scheduled for spring 2011; the station's magnificent dome will be completed in the winter that year.







The North Building at Osaka Station is scheduled to open in spring 2011. This is an artist's impression of the finished station.

## Future Priorities and Conclusion

With regard to future activities, we place greatest priority on promoting companywide Medium-Term Management Targets based on the new Corporate Philosophy and Safety Charter. In particular, we will emphasize the policies of Sincere Response to Accident Victims, Promotion of Measures to Enhance Safety, and Promotion of Reforms. The first item is the most important across the entire company and we will each try to fully understand the absolute priority of safety so that no-one ever forgets the Fukuchiyama Line tragedy or experiences anything similar again.

In terms of Promotion of Measures to Enhance Safety, we will focus on fully implementing structural and training-related measures and hardware and equipment-related measures in the Safety Enhancement Plan.

We will take measures to deepen understanding that safety is the top priority, by disseminating the new Corporate Philosophy and Safety Charter, utilizing accident risk factor information, and using mechanisms such as safety meetings. Further, based on the Railway Safety Management Regulation formulated in October 2006, to establish a better safety management structure, we aim to further strengthen the PDCA (Plan-Do-Check-

Act) cycle by clarifying the chain of responsibility and using all in-house meetings.

We opened our Railway Safety Education Centre in April 2007 to make every employee remember the tragedy of the Fukuchiyama Line accident and promote a systematic understanding of safety countermeasures developed from past experience. This Centre is part of our efforts to further improve safety and is intended to be a focal point for safety education. Its activities will be based on the recommendations of bodies, such as the Safety Council and the results of studies conducted at the Safety Research Institute.

We believe that organization reform is the key to any safety enhancement that we achieve; to create a foundation for sustained development and regain customers' trust, we are determined to reform from every angle, including work mechanisms, operational processes, and employee awareness. Finally, we would like to underline our deep sorrow for the suffering and pain caused by the terrible Fukuchiyama Line accident, and apologize again from the bottom of our hearts.

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## JR West Chronology

## 1987

- 1 Jul — Launched 'Kiku-za Suggestion Corner' and 'Kiku-za Suggestion Box'
- 16 Jul — Established Management Philosophy

## 1988

- 2 Feb — Selected 'WENS' as travel brand name
- 13 Mar — Debuted *West Hikari*  
Started using nicknames on nine sections of eight lines in Kansai region
- 10 Apr — Opened Honshi-Bisan Line (Seto-Hashi Line)
- 28 Jun — Held first general shareholders meeting
- 22 Dec — Started Refreshing Manner Campaign

## 1989

- 11 Mar — Debuted *Grand Hikari* and *Super Raicho (Thunderbird)* Series 221 commuter trains
- 21 Jul — Debuted *Twilight Express*
- 22 Jul — Debuted *Super Kuroshio*
- 5 Dec — Adopted 'TiS' as unified, and abbreviated name for centres
- 6 Dec — Started Santo Monogatari Campaign

## 1990

- 10 Mar — Introduced line colours for 10 main lines in Kansai region
- 1 Apr — Opened Hakata-Minami Line (between Hakata and Hakata-Minami)
- 1 Jun — Founded first Line Operations Department

## 1991

- 1 Feb — Started Kyushu Symphonic Journey Campaign
- 1 Apr — Founded second Line Operations Department
- 27 Apr — Opened Sagano Scenic Railway
- 1 Oct — Purchased San'yo Shinkansen

## 1992

- 30 Mar — Started using new head office building
- 1 Apr — Founded third Line Operations Department
- 2 Apr — Established Practical Training Centre at Okayama branch
- 8 Jun — Started WIN350 tests
- 8 Aug — Set Japanese record of 350.4 km/h for WIN350

## 1993

- 18 Mar — Debuted *Nozomi* on San'yo Shinkansen
- 1 Jun — Founded Kyoto, Osaka and Kobe branches with Transport Safety Office at each branch
- 1 Jul — Started using SUNTRAS Hanwa Line Operation Control System

## 1994

- 15 Jun — Opened Kansai Airport Line
- 4 Sep — Debuted *Haruka* Kansai Airport Limited Express

## 1995

- 17 Jan — Suffered cuts on San'yo Shinkansen and Kobe Line during major Kobe Earthquake
- 10 Mar — Celebrated 20th anniversary of opening San'yo Shinkansen to Hakata
- 1 Apr — Reopened Kobe Line after 74 days
- 8 Apr — Reopened San'yo Shinkansen after 81 days
- 28 Apr — Started using UrEDAS (Urgent Earthquake Detection and Alarm System) on San'yo Shinkansen
- 1 Oct — Founded Area Operations Department

## 1996

- 31 Jul — Debuted *Super Kuroshio Ocean Arrow*
- 8 Oct — Listed on Osaka, Tokyo and Nagoya stock exchanges
- 15 Oct — Listed on Kyoto, Hiroshima and Fukuoka stock exchanges

## 1997

- 8 Mar — Opened Tozai Line with J-Through system on this line and Gakken-Toshi Line
- 22 Mar — Debuted Series 500 *Nozomi*
- 27 Jun — Held first general shareholders meeting after stock exchange listing
- 5 Jul — Opened renovated Umekoji Steam Locomotive Museum
- 11 Sep — Opened new Kyoto Station building
- 29 Nov — Extended Series 500 *Nozomi* to Tokyo

## 1998

- 1 Apr — Established Committee on Global Environment
- 28 Apr — Started using early earthquake warning systems on conventional lines
- 10 Jul — Debuted *Sunrise Express*

## 1999

- 26 Feb — Introduced J-Through Card system in Kansai region  
Completed No. 2 Control Centre for Tokaido and San'yo shinkansen
- 13 Mar — Debuted Series 700 *Nozomi* and opened Asa Station on San'yo Shinkansen

## 2000

- 11 Mar — Debuted *Hikari Rail Star*
- 17 Aug — Licensed first female shinkansen driver
- 1 Dec — Moved Osaka Railway Hospital to new building

## 2001

- 1 Mar — Opened Universal-city Station on Yumesaki Line (Sakurajima Line)
- 7 Jul — Introduced high-speed trains on San'in Line with debut of *Super Oki* and *Super Kunibiki*
- 1 Oct — Merged TiS Headquarters with Nippon Travel Agency, Co., Ltd.
- 13 Nov — Announced Medium-Term Management Targets
- 1 Dec — Government amended laws affecting operators in JR group

## 2002

- 15 Mar — Celebrated 30th anniversary of opening San'yo Shinkansen to Okayama
- 1 Jun — Reformed organization and established Business Development Department
- 20 Aug — Started Kammon Kaikyo Campaign
- 1 Oct — Introduced women-only carriages on Osaka Loop Line and Gakken-Toshi Line
- 23 Nov — Retired *Grand Hikari*
- 6 Dec — Consolidated Nippon Travel Agency, Co., Ltd. into subsidiary

## 2003

- 19 Feb — Announced NexStation Plan
- 1 Mar — Opened JR Rokkomichi Kid's Room childcare complex
- 1 Apr — Opened JR West Information Centre
- 3 Sep — Opened Shanghai Office
- 1 Oct — Debuted new *Marine Liner*  
Started Discover West Campaign
- 1 Nov — Started ICOCA IC card service
- 1 Dec — Closed Kabe Line between Kabe and Sandankyo

## 2004

- 12 Mar — Achieved full privatization with second sell-off of government-held shares
- 7 Apr — Started joint Japanese Beauty Hokuriku Campaign with JR East
- 16 May — Started work on renovating Osaka Station
- 21 Jun — Opened JR West Customer Centre
- 1 Aug — Started interoperability between ICOCA and Suica, and started Kid ICOCA service  
Celebrated 25th anniversary of revival of SL Yamaguchi service
- 14 Oct — Designated four items at Modern Transportation Museum as Historic Railway Items
- 10 Dec — Designated Umekoji depot as nationally important cultural asset

## 2005

- 17 Jan — Commemorated 10th anniversary of Kobe Earthquake and held emergency drills
- 20 Feb — Introduced automatic ticket gates on San'yo Shinkansen
- 10 Mar — Celebrated 30th anniversary of opening of San'yo Shinkansen to Hakata
- 25 Apr — Suffered Fukuchiyama Line accident
- 2 May — Opened Consultation Office for Assistance to Victims of Fukuchiyama Line Accident
- 31 May — Submitted Safety Enhancement Plan to Ministry of Land, Infrastructure and Transport
- 3 Jun — Held first Emergency Safety Meeting
- 19 Jun — Reopened Fukuchiyama Line between Amagasaki and Takarazuka
- 28 Jun — Held first Safety Council
- 1 Oct — Started ICOCA e-money service
- 11 Nov — Opened Special Office for Fukuchiyama Line accident
- 1 Dec — Debuted Series 321 commuter train

## 2006

- 21 Jan — Started service interoperability between ICOCA and PiTaPa
- 1 Feb — Issued J-West Card
- 1 Mar — Founded Fukuchiyama Line Train Accident Victim Support Centre  
Closed Toyamako Line
- 1 Apr — Formulated Corporate Philosophy and Safety Charter
- 25 Apr — Held First Fukuchiyama Line Train Accident Memorial Ceremony
- 29 May — Established Discover West Association
- 26 Jun — Held opening ceremony for Safety Research Institute
- 22 Jul — Extended Express Reservation service to San'yo Shinkansen
- 16 Oct — Held groundbreaking ceremony for construction of new North Building at Osaka Station
- 21 Oct — Started connecting Hokuriku Line and Kosei Line
- 31 Oct — Announced review of group Medium-Term Management Targets
- 30 Nov — Debuted Series 521 AC/DC train
- 1 Dec — Started Club Discover West travel club

\*Compiled by Kotsu Shimbunsha, based on company directory and *Kotsu Shimbun*