

Compliance

Basic Concept of Compliance

JR East adopted our Policy on Legal and Regulatory Compliance and Corporate Ethics as the Group's corporate activity guidelines. Concomitantly, we established Compliance Hotlines, both inside and outside the company, for internal reporting, and have promoted efforts on compliance.

In addition, we continue to implement a program of education for all Group employees every year and strive to raise their awareness of the need for compliance.

Other approaches to further promotion of compliance-minded management throughout the Group may be exemplified by our confirmation of the proper execution of our business through general checks of legal and regulatory requirements concerning all aspects of it and activities using a "Basic Matter Confirmation Support Sheet" that should be periodically checked in each location.

Formulation and Revision of the Compliance Action Plan

In 2005, JR East adopted our Policy on Legal and Regulatory Compliance and Corporate Ethics as the Group's activity guidelines. To heighten the efficacy of these guidelines, we also prepared the Compliance Action Plan, which sets forth advisable modes of conduct for all employees of the JR East Japan Group. We are distributing the Plan to all employees, in the form of the Compliance Action Plan Handbook.

In 2013, with the formulation of JR East Group Management Vision V, we revised the 2005 policy together with the Compliance Action Plan Handbook, taking into consideration the social changes surrounding the Company. We will continue to ensure that all employees of the JR East Group completely understand and follow the Compliance Action Plan and review it according to ongoing environmental and societal changes.

Strengthening Mechanism for Proper Business Conduct

We conducted full inspections of our compliance for all our operations, including Group companies. Starting with the inspections, JR East Group is promoting continuous reviews of all its operations based on laws and regulations, internal rules, and social norms.

In 2011, JR East created the "Basic Matter Confirmation Support Sheet" listing matters subject to regular checking and requiring heads of departments to personally ensure that business is carried out properly. We endeavor to achieve thorough implementation at each workplace.

Ensuring Information Security

With the advancement of the information society, ensuring the security of our information systems has become an important issue.

JR East has designed and introduced an information security management system and carries out necessary measures to ensure safe and secure information system operations. We have also established a contact system in the event a problem should occur and we conduct problem response drills.

All employees are kept aware of the importance of information security and the strict handling of information through our Group rule book and internal magazine. All employees also receive information security education with the aim of raising awareness about how they should guarantee workplace information security.

■ 10 Rules of Information Security

情報セキュリティ

—10か条—

第1条 会社のパソコンは定められた目的以外で使用しない

第2条 パスワードは第三者に「教えない」「知られない」「推測されない」
【パスワード三原則】

第3条 不審な電子メールは開封しない

第4条 電子メールやFAXを送る時は、宛先に細心の注意を払う

第5条 データ記録メディアは会社が認めたもの以外は使用しない

第6条 データ記録メディアを使用する前に、必ずウイルスチェックをする

第7条 会社外への情報の持ち出しは必要最低限とする

第8条 不要となった機密情報や個人情報を含むファイルや資料等は確実に処分する

第9条 LANケーブルは、「(ハブから)抜かない」「(ハブに)挿さない」「見た目で判断しない」
【LANケーブル三原則】

第10条 ウイルス検出等の問題が発生した時は、「離線」「連絡」「現状保存」
【異常時三原則】

Education of all employees

We began providing compliance education for all employees in 2009, in order to heighten awareness of the need for compliance among each and every one of them. In fiscal 2014, we carried out a program of education including a case study, which prompted employees to consider cases that could occur in their workplace, for the purpose of tightening adherence to guidelines for conduct based on the revised Compliance Action Plan Handbook. We will follow this in fiscal 2015 with continued education to enhance compliance awareness that centered around cases and topics based on the recent social situation and actual conditions in workplaces.

In addition, in fiscal 2014, besides conducting a questionnaire in conjunction with our compliance education for all employees, we surveyed employee awareness of compliance by means of the Group Company Compliance Questionnaire, which was conducted mainly with employees of the management and planning divisions at the member firms of our Group.

We are committed to continued compliance education based on the social responsibility our company must discharge and the changes in the mindset of our employees.

■ Results of Compliance Training

Title	Number of sessions	Participants	Contents and objectives	Number of participants
All Employee Training	1	JR East and Group company employees	Compliance awareness	All Employees
New Recruit Training	1	JR East new recruits	Compliance awareness	All new recruits
Basic Legal Training	1	Group company legal affairs personnel	Acquisition of basic legal knowledge	47
Legal Skills Training	1	Head Office and Branch office legal affairs Personnel	Enhancement of practical legal knowledge, legal reasoning, and decision-making/problem-solving skills	15
Compliance Meetings	2	Head Office executives, general managers, etc.	Ensuring awareness of a compliance management system	180
Compliance Seminar for Group Companies	1	Administrative managers in charge of compliance of Group companies	Ensuring awareness of a compliance management system	74
Regular Legal Seminar	4	JR East and Group company Executives, employees	Explanation of new and revised laws, and awareness-raising about compliance	800

Shinanogawa Power Station Incident

In March 2009 JR East received an administrative sanction because the company's water intake had exceeded the maximum allowed quantity at our hydroelectric plant, Shinanogawa Power Station (the collective name for the Senju, Ojiya and Ojiya Daini power plants in Ojiya and Tokamachi Cities, Niigata Prefecture). The sanction was issued in accordance with the River Act and included the revocation of a permit to draw water from the Shinano River. Subsequent to receipt of this sanction, we have taken corrective actions in accordance with the directions in the sanction and have endeavored to implement measures to prevent recurrence and to cultivate close cooperation with the local communities.

In June 2010, having obtained a permit from the Director of the Hokuriku Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism to again take water from the Shinano River, we resumed operation of the Shinanogawa Power Station.

We are redoubling our efforts at compliance management to prevent occurrence of similar incidents and we are sincerely committed to fostering harmony with the river environment and enhancing co-prosperity with communities.

Personal Data Protection

In 2005, the JR East Group published the Regulations for the Management of Personal Information and appointed Chief Privacy Officers who have the responsibility of strictly protecting personal data. Through pamphlets covering the subject exclusively, articles in our internal magazines and compliance education, we are also working to ensure that all employees remain fully aware of the necessity of the strict handling and management of personal data. In order to ensure proper usage and strict control of personal data, the Group conducts regular internal workplace audits.

Risk Management

The Crisis Management Headquarters was established in 2002 to centrally collect and manage information, and to make prompt initial responses in the event of major crises affecting the business operations of the JR East Group. In 2004, we added the Crisis Management Office, a full-time section that has taken responsibility for Headquarters' secretarial work. We are striving to be prepared for any potential risks JR East Group may face. We have established a system enabling us to respond to various emergencies—terrorist threats, pandemics such as influenza, and other possibilities.

Information Disclosure

JR East has a wide range of relationships with many stakeholders, including the 17 million customers using our railway services each day, as well as our shareholders and investors, business partners, employees and their families, and local communities.

We actively disseminate information about Group initiatives through public and investor relations activities to these stakeholders. We also strive to disclose key corporate information on our website in a swift and appropriate manner. JR East also is working to create wide-ranging opportunities to listen to and learn from the views and requests of our stakeholders.