

Basic Concept of Compliance

To guide corporate activities, JR East has adopted as its guidelines the “Policy on Legal and Regulatory Compliance and Corporate Ethics.” For internal reporting, it has established compliance hotlines inside and outside the Company. In addition, we advance compliance initiatives; for example, to raise compliance awareness we train all employees annually.

Also, JR East is making concerted efforts to promote rigorous compliance-based business management. As part of such efforts, we ensure proper operational conduct through the “Basic Matter Confirmation Support Sheet,” which lists important basic matters that leaders of each operational department should check regularly.

The “Policy on Legal and Regulatory Compliance and Corporate Ethics” and the “Compliance Action Plan”

JR East informs all employees about the need for rigorous compliance in business management. In June 2005, JR East announced the “Policy on Legal and Regulatory Compliance and Corporate Ethics.” At the same time, to heighten the policy’s effectiveness and explain desirable employee conduct, we prepared the “Compliance Action Plan” and distributed a handbook based on it to all employees.

In April 2013, JR East revised the policy and the action plan to reflect the “JR East Group Management Vision V—Ever Onward,” prepared in October 2012. This revision added items related to globalization, information management, and the separation of private and public matters. Furthermore, because we are stepping up overseas business development, we prepared and announced our “Basic Policy Aimed at Preventing Bribery in Relation to Non-Japanese Civil Servants” in June 2014.

Education of All Employees

Aiming to further each employee’s understanding of compliance’s importance, the guidelines, and the action plan, JR East has conducted an annual compliance education program that targets all Group employees since fiscal 2010. Initially, the program mainly involved lectures using DVDs as educational material. In recent years, however, because employees’ compliance awareness has reached a certain level, the program educates by encouraging employees to consider and discuss issues. In this format, department leaders conduct study groups for each workplace using materials the Head Office has prepared. The groups focus on case studies taken from operations that are familiar to each set of employees. JR East Group will continue inculcating compliance awareness through education that reflects society’s expectations regarding corporate social responsibility and its employees’ awareness.

Main Compliance Seminars in Fiscal 2015

| Title | Number of Sessions | Participants | Contents and Objectives | Number of Participants |
|----------------------------------|--------------------|---|---|------------------------|
| All Employee Compliance Training | 1 | JR East and Group company employees | Rigorous compliance awareness | All employees |
| New Recruit Training | 1 | JR East new recruits | Rigorous compliance awareness | All new recruits |
| Basic Legal Training | 1 | Group company legal affairs personnel | Acquisition of basic legal knowledge | 31 |
| Legal Skills Training | 1 | Head Office and branch office legal affairs personnel | Enhancement of practical legal knowledge, legal reasoning, and decision-making and problem-solving skills | 14 |
| Legal Seminar | 4 | JR East and Group company executives and employees | Explanation of new and amended laws and advancement of legal compliance awareness | 600 |
| Compliance Seminar | 2 | Head Office executives, general managers, etc. | Rigorous awareness of compliance-based business management | 190 |
| Group Company Compliance Seminar | 1 | Group company executives and employees | Rigorous awareness of compliance-based business management | 80 |