Measures Regarding an Incident in the Railway Vehicle Wheelset Assembly Operations

We deeply apologize to our customers and stakeholders once again for the inconvenience and concern caused due to the incident in the wheelset assembly operations of East Japan Railway Company (hereinafter "JR East") and our Group company (Japan Transport Engineering Company, Ltd., hereinafter "J-TREC"), where press-fit force values outside the specified range were altered to appear within the accepted range.

While the products involved were put into service only after confirming their technical safety, we recognize that this incident revealed significant challenges in our quality control practices. The high-quality standards that ensure the reliability of our services for customers are upheld through strict adherence to established rules and numerical benchmarks. Acknowledging this, we are now redoubling our efforts as a Group for the pursuit of ultimate safety with renewed determination.

On March 28, 2025, J-TREC submitted the final report regarding the measures to be taken in response to instructions from the Ministry of Land, Infrastructure, Transport and Tourism. We hereby announce the details of the measures being undertaken by JR East and J-TREC, including prevention of recurrence.

1. Group-wide governance

- On October 16, 2024, an emergency meeting of Group company presidents was held. During the meeting, participants shared the understanding that this incident should not be narrowly viewed as an issue involving merely wheelsets or transportation services, but rather as a quality control issue concerning the entire range of services provided by the Group. It was recognized as a serious lesson for the entire Group, one that must be fully integrated into future operations to meet the trust and expectations of our customers. Following this understanding, top management issued instructions to ensure strict compliance with regulatory obligations.
- This fiscal year, the annual compliance training for all employees was enhanced to incorporate content based on this incident and was administered to all employees across our Group.
- In response to this incident, personnel measures were taken on December 9, 2024, against directors of JR East and J-TREC to ensure accountability for their management actions.

2. Group-wide initiatives regarding compliance awareness

- All employees across our Group, including those at J-TREC, undertook training aimed at enhancing compliance awareness based on the lessons learned from this incident (completed by February 28, 2025).
- This incident has been documented in the Compliance Action Plan, which serves as the code of conduct for all Group employees, to ensure it becomes a valuable lesson for quality management both now and

- in the future (updated on March 6, 2025).
- · Alongside the above training, a compliance awareness survey was conducted for all Group employees.

 The feedback received will be utilized to further improve our quality control practices.

3. Initiatives regarding wheelset assembly operations

(1) JR East

- Out of the 76 wheelsets that fell below the specified values, replacements were completed for 66 wheelsets still in service by November 21, 2024, and for the remaining 10 wheelsets, which were no longer in service, by January 20, 2025. As a result, no wheelsets outside the specified range remain.
- Regarding wheelset assembly operations, in response to the report issued by the Verification Meeting on the Safety of Railway Vehicle Wheelsets at the Ministry of Land, Infrastructure, Transport and Tourism, internal regulations were comprehensively revised and new rules related to wheelsets were established (March 1, 2025).
- Efforts to understand the operational status of periodic inspections on railway vehicles began in October 2024. Should any incidents violating implementation standards be identified during this process, they will be promptly reported to the relevant District Transport Bureau. Additionally, based on the findings, standardization of procedures is being advanced (will be completed by the end of March 2026).

(2) J-TREC

- For the 2,114 wheelsets that fell outside the specified values, individual consultations were held with each contractor (such as railway operators), who had ordered wheelset assembly operations, between October 8 and 24, 2024. If there is a request for re-press-fitting or inspection of the relevant wheelsets, we will make every effort to accommodate it. In fact, we have already received such requests from some contractors and have carried them out.
- Internal rules and regulations for wheelset assembly operations were revised to reflect actual work conditions and other necessary considerations. It was explicitly established that work must be carried out in accordance with instructions, such as press-fit force values, provided by the contractors (such as railway operators), and these instructions must be confirmed before work begins.
 - Following the report issued by the Verification Meeting on the Safety of Railway Vehicle Wheelsets at the Ministry of Land, Infrastructure, Transport and Tourism, discussions were held with each contractor (such as railway operators) to review specification documents and contract details. If specifications are revised, corresponding updates to internal rules and regulations and procedural manuals are implemented.
- After providing necessary training and revising related rules and regulations, wheelset assembly operations resumed on October 29, 2024, with supervisors (assistant managers or higher) present at each work session. System modifications were also introduced to prevent alteration of output data and to link the press machine with the recorder printer, ensuring no records are missed (completed on February 14, 2025).
- · By January 2025, inspections of manufacturing operations at the three plants (Yokohama, Niitsu, and

Wakayama Plants) were conducted by workers and supervisors, confirming that no problematic operations similar to the wheelset assembly operations in question were found.

4. Reporting and disclosure of the incident

- When inappropriate handling in the wheelset assembly operations was discovered at JR East in 2017, we concluded that safety was ensured by properly managing factors such as interference and back-to-back distance of wheels, even if the press-fit force values were outside the specified range. As a result, we neither shared this information within the Group nor reported it to the District Transport Bureau, nor did we disclose it. We now recognize that the decision made at that time was inappropriate and take it very seriously.
- In light of this incident, we will always keep in mind that our perception of safety, derived from our long years of experience, is different from the customer's view of reliability. If an incident occurs that could undermine our customers' reliability, we will promptly share it within the Group, appropriately disclose the facts, fulfill our responsibility to explain, and implement necessary improvement measures.
- Additionally, the planning divisions that support frontline operations will monitor the progress of improvement measures, ensure that rules and systems are functioning correctly, and make revisions as needed. Furthermore, through audits by the internal audit departments, the control status of frontline operations and planning divisions will be verified, contributing to the enhancement of governance across the Group.
- Moving forward, we will continue to prioritize safety and strive for thorough quality control and highly transparent operations to meet the expectations of our customers.
- 5. Previous releases regarding this incident (Japanese only)
- (1) JR East
 - September 20, 2024: Results of inspections on the wheelset assembly operations https://www.jreast.co.jp/info/2024/20240920_ho03.pdf
 - December 9, 2024: Personnel measures
 https://www.jreast.co.jp/info/2024/20241209_ho02.pdf

(2) J-TREC

- September 27, 2024: Substitution of values in the wheelset assembly operations https://www.j-trec.co.jp/news/130/030/20240927.pdf
- December 9, 2024: Personnel measures
 https://www.j-trec.co.jp/news/130/040/20241209.pdf
- January 31, 2025: Improvement measures addressing inappropriate handling in the railway vehicle wheelset assembly operations

https://www.j-trec.co.jp/news/130/050/20250131.pdf https://www.j-trec.co.jp/news/130/050/20250131b.pdf