

NNR Group
Corporate Philosophy

CONCEPT BOOK



Table of Contents

2	Message from the Representative Director of the NNR Group
4	NNR Group Corporate Philosophy
5	Basic Philosophy
9	Management Philosophy
13	Code of Conduct
17	NNR Group Brand Strategy Corporate Message
19	Roles of the Corporate Message
21	NNR Group Business Outline

NNR Group Corporate Philosophy

The Corporate Philosophy of the NNR Group consists of the following three philosophies:

Basic Philosophy

The NNR Group will keep providing confidence, comfort, and enjoyment through our businesses which connect people and carry their expectations, walk hand in hand with communities, and develop together.

Management Philosophy

Management to bring out the best in people

We create the vibrant corporate climate where people are respected for their humanity; the best in people is brought out, and they are fostered.

Creation of our customers' expectations

We put ourselves in our customers' shoes, respond to their expectations, and provide products and services which create their expectations.

Creation of new business values

We accurately ascertain the demands of the present age and create new business values that we can share with society.

Harnessing the NNR Group's collective strength

We respect independence and individuality, cooperate with each other, and harness the NNR Group's collective strength.

Code of Conduct

The joy of our customers is our joy.

We put ourselves in our customers' shoes.

We value can-do spirit.

We act positively with originality and ingenuity.

We are proud to be members of the NNR Group.

We improve ourselves, play our roles, and take responsibility.

We create vibrant workplaces.

We talk with our colleagues and deepen mutual trust and partnership.

Basic Philosophy

Basic Philosophy

The NNR Group will keep providing confidence, comfort, and enjoyment through our businesses which connect people and carry their expectations, walk hand in hand with communities, and develop together.

The Basic Philosophy indicates what kind of businesses the NNR Group will conduct and what kind of missions it will achieve. It consists of the following three pillars:

1

What kind of businesses does the NNR Group aim for?

NNR Group Business Concept

The concept of “connecting people and carrying their expectations” indicates the direction the NNR Group should follow to develop various businesses in the future. It puts employees’ dreams, aspirations, and intentions together, and it constitutes a common set of guidelines.

The wide range of businesses in which the NNR Group is involved (transportation, real estate, distribution, global logistics, etc.) is defined as follows:

(1) businesses that provide meeting places for people, things, information, and culture and

(2) businesses that support the movement and enable the networking of people, things, information, and culture.

“Connecting people and carrying their expectations” indicates the stance of the NNR Group to connect, link, and communicate with people, things, information, and culture through these two types of business activities and to create a range of new values in the process.

What kind of satisfaction do we deliver to our customers?

NNR Group Customer Satisfaction

The satisfaction and mental fulfillment that our customers receive from the NNR Group's products and services is **confidence**, **comfort**, and **enjoyment**.

■ **Confidence** is realized not only by meeting our customers' basic needs for safety, accuracy, and convenience, but through the confidence our customers have in us and the warmhearted care we extend to them. This is the basis of our services that facilitate people's mental fulfillment; it looks easy but is actually hard to achieve.

■ **Comfort** means customers feel comfortable with our products and services. We fill customers' lives with peace, contentment, and warmth and help them create more affluent lives.

■ **Enjoyment** is the pleasure and joy that we provide when we allow people to encounter something beyond their imagination and to have dreams that expand their expectations.

We place the most importance on **confidence**. Only when there is confidence, can the NNR Group create its unique forms of **comfort** and **enjoyment**.

What kind of social relationships does the NNR Group value?

NNR Group Social Mission

The NNR Group will deepen exchanges with communities through active dialogue and maintain our position as a good corporate citizen based on the awareness that we are a member of the communities where we are based.

Communities are the areas where the NNR Group operates its businesses, both in Japan and overseas. They also refer to the people involved with the NNR Group (e.g., people living in the areas, customers, shareholders, clients, etc.) and their societies.

The NNR Group values its relationships with the communities and contributes to the development of the economy, culture, and life in those communities through our business activities. The NNR Group also engages regularly in social activities as a good corporate citizen and strives to strengthen the bonds of trust with the communities.

In this way, the NNR Group will walk hand in hand with the communities and fulfill its responsibility and mission to contribute to the development of communities as a corporate group with a strong presence. This, in turn, will contribute to the further growth and development of each and every employee and the NNR Group as a whole.

Management Philosophy

Management Philosophy

- **Management to bring out the best in people**

We create the vibrant corporate climate where people are respected for their humanity; the best in people is brought out, and they are fostered.

- **Creation of our customers' expectations**

We put ourselves in our customers' shoes, respond to their expectations, and provide products and services which create their expectations.

- **Creation of new business values**

We accurately ascertain the demands of the present age and create new business values that we can share with society.

- **Harnessing the NNR Group's collective strength**

We respect independence and individuality, cooperate with each other, and harness the NNR Group's collective strength.

Our Management Philosophy presents a basic policy for how we should manage our businesses to realize the Basic Philosophy. It consists of the following four pillars:

1

NNR Group employees are dynamic

Management to bring out the best in people

We create the vibrant corporate climate where people are respected for their humanity; the best in people is brought out, and they are fostered.

Better companies, better products, and better services are created by **people**.

The best asset of the NNR Group is its **people**. The NNR Group respects the humanity of each and every employee and conducts “management to bring out the best in people”, which enables employees to feel joy in their work and purpose in their lives.

To become a corporate group that can achieve dreams, it is necessary for each and every employee of the NNR Group to enhance their willingness to work and exhibit their abilities. Therefore, we will always make efforts to create opportunities and provide environments where employees can put their abilities to work, where the results of their efforts are evaluated appropriately, and where their abilities can be further cultivated and improved. Doing this will serve to enhance the collective strength of the NNR Group.

The NNR Group will create a vibrant corporate climate where employees can shine through: in a nutshell, “management to bring out the best in people”.

2

NNR Group products and services are promising

Creation of customers' expectations

We put ourselves in our customers' shoes, respond to their expectations, and provide products and services which create their expectations.

Products and services must be considered from the customer's perspective. In order to guarantee customer satisfaction, we should always be aware of who our customers are and consider our products and services from their perspective, not for the sake of our own convenience.

To generate new expectations among our customers for our products and services, employees in customer service-oriented departments as well as throughout the entire NNR Group must consider what it means to provide authentic customer service. They must treasure every encounter with our customers and sincerely continue providing products and services that customers want and need.

In this way, we will respond to our customers' existing expectations while we create new ones.

3

NNR Group businesses make a difference

Creation of new business values

We accurately ascertain the demands of the present age and create new business values that we can share with society.

The **creation of new business values** is what underpins the NNR Group's future growth and serves as the source of our employees' dreams, hopes, vitality, and pride.

It is the manifestation of the stance we have taken to expand and enrich our business fields. In addition to new business development, it means seizing new business opportunities to make our existing businesses more attractive and to develop associated businesses.

Equipped with a far-reaching, long-term perspective, the NNR Group responds sensitively to the changes of the times to create and cultivate new businesses accepted by society rooted in the concept of "connecting people and carrying their expectations".

4

NNR Group employees give their all

Harnessing the NNR Group's collective strength

We respect independence and individuality, cooperate with each other, and harness the NNR Group's collective strength.

The NNR Group will exhibit its collective strength and continue to develop by engaging in management that ensures each subsidiary can demonstrate its own uniqueness and that every group company can complement each other and cooperate with one another.

Under our Corporate Philosophy, each company of the NNR Group recognizes its identity within the group, confirms the direction it must take, and strives to develop its businesses in accordance with a clearly defined future vision. Each company is independently managed: it develops its own businesses depending on its unique characteristics, enhances its corporate strengths, and increases its competitiveness.

In this way, as the NNR Group develops its various businesses, it will pursue synergies based on the effective cooperation of its subsidiaries and affiliate companies, thus harnessing its collective strength to the fullest.

Code of Conduct

Code of Conduct

- The joy of our customers is our joy.
We put ourselves in our customers' shoes.
- We value can-do spirit.
We act positively with originality and ingenuity.
- We are proud to be members of the NNR Group.
We improve ourselves, play our roles, and take responsibility.
- We create vibrant workplaces.
We talk with our colleagues and deepen mutual trust and partnership.

The Code of Conduct is a policy indicating the attitudes that each and every one of us should possess and how we should act in order to realize the Basic Philosophy and the Management Philosophy. It consists of the following four pillars:

1

The joy of our customers is our joy.

We put ourselves in our customers' shoes.

What attitude should we maintain when communicating with our customers?

It is our joy to satisfy and delight our customers with our products and services; and to earn their trust and meet their expectations.

To this end, we accurately ascertain who our customers are and listen to them. We consider whether or not our current undertakings are good for our customers; we always stand in their shoes and act accordingly. It is our basic rule to provide products and services from a customer-oriented point of view.

We value can-do spirit

We act positively with originality and ingenuity.

How should we approach our work? It is easy to think of excuses for not being able or not wanting to do something, but it is just as easy to point out such excuses and find a way to do something.

First and foremost, we must think of how we can do something and maintain an attitude of achieving what we set out to do by any means.

We will not settle for the status quo. We must not let past practices dictate our current course of action; we shall act positively with originality and ingenuity to produce better results.

We are proud to be members of the NNR Group

We improve ourselves, play our roles, and take responsibility.

What kind of attitude do we need to maintain as members of the NNR Group? Each and every one of us plays an important role in the workplace. When viewed from the outside, we are all representatives of the NNR Group.

We set goals at work and for our personal life; we do not lose our ambition as a member of the company, nor as a member of the society. We strive to always improve ourselves and pursue job satisfaction as well as a purpose in life.

Finally, we are aware of our roles at the workplace and in our teams. We fulfill our responsibilities and achieve the goals of the NNR Group by joining forces with each other.

4

We create vibrant workplaces

We talk with our colleagues and deepen mutual trust and partnership.

What kind of workplace should we create?

By placing value on the conversations we have with each other, we learn to understand various ways of thinking and new points of view. Therefore, we state our opinions clearly, listen carefully to others, and value opinions that differ from our own.

We create vibrant, lively, and emotionally connected workplaces where mutual trust is cultivated among colleagues, between the frontline sales staff and the members of supporting divisions, and among NNR Group companies.

NNR Group Brand Strategy

Corporate Message

“Connecting your dreams”

People's aspirations create the future. This is what the NNR Group believes. Creating new products or services, making our lives better, and creating ideal towns all originate from people's aspirations. Therefore, we strive to place value on the aspirations of every customer and every employee as we seek to create the future.

The corporate message entitled “Connecting your dreams” expresses a sense of expectation for and a sense of the scale with which the NNR Group's businesses will expand going forward. We share dreams with our customers and local residents, all of whom are in various different stages of life, and we seek to grow together with them. This is the vision we strive toward every day as a corporate group.

The dreams of our customers, the dreams of local residents, and the dreams of every employee of the NNR Group—we strive to connect dreams as we create new towns together.

“Connecting your dreams”

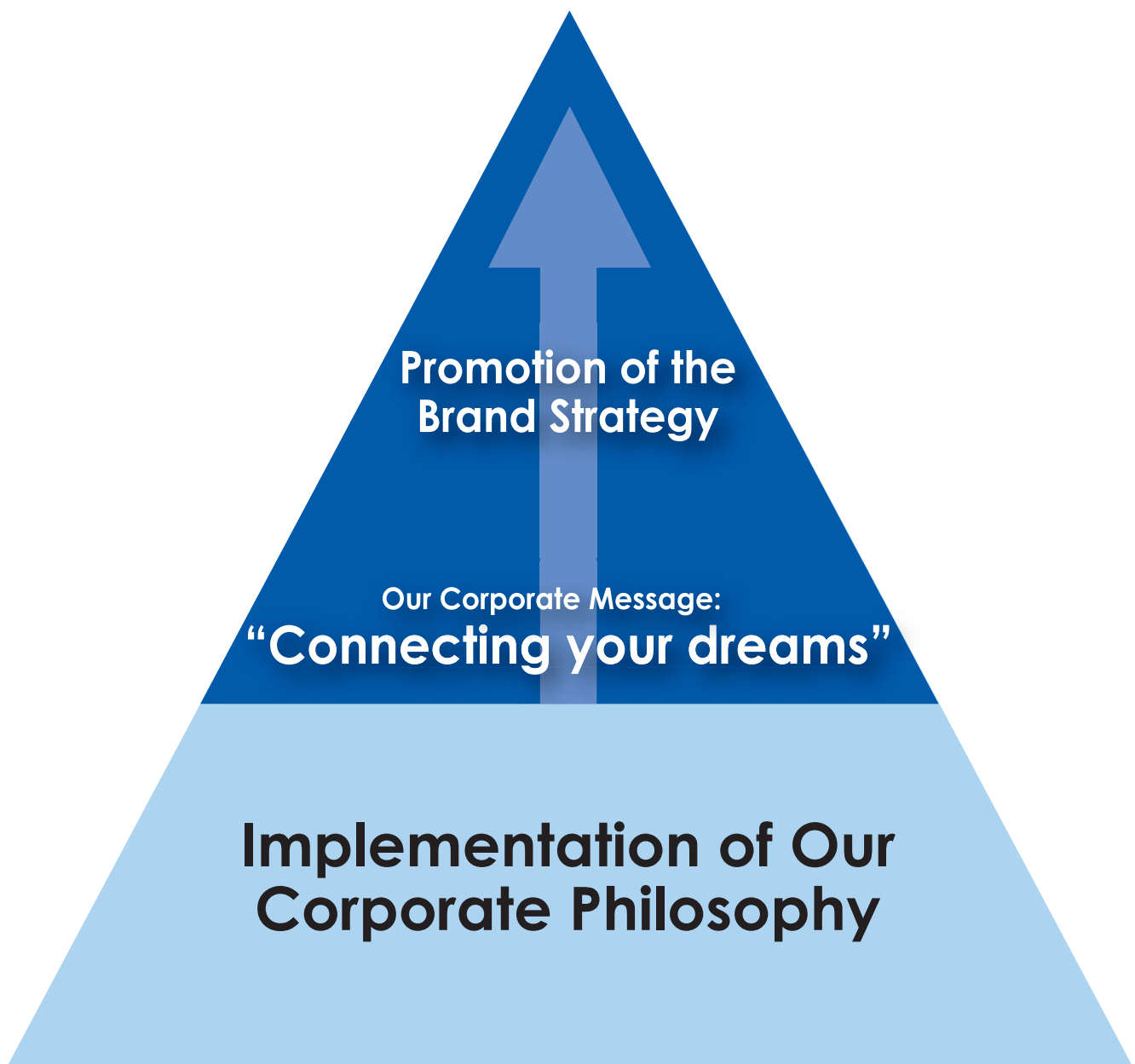


Roles of the Corporate Message

The Corporate Message is the commitment to our customers and the local residents that we will implement our Corporate Philosophy, walk hand in hand with the communities, and continue to develop together. It also serves as a guide for action for every NNR Group employee.

Our Vision

To become a company that
customers continues to choose



NNR Group Business Outline

Nishi-Nippon Railroad Co., Ltd., which was founded in 1908, is one of the leading private railroad companies in Japan. The NNR Group comprises Nishi-Nippon Railroad Co., Ltd. and more than 80 subsidiaries and affiliate companies.

Buses

Our bus business includes fixed-route and sightseeing bus services. The NNR Group has approximately 2,900 buses and transports more than 700,000 passengers per day.



Railways

Our railway business covers a total of 106.1 kilometers and is used by many local residents.



Logistics

Our global logistics business started handling air freight in 1948. We now have overseas offices in 91 cities in 24 countries and regions (as of July 1, 2013).



Real Estate

Our real estate business builds and sells houses and condominiums for individuals and rents office buildings and other commercial real estate throughout Fukuoka Prefecture.



Distribution

Our distribution business operates supermarkets, liquor shops and general merchandise stores.



Leisure and Amusements

Our leisure and amusement business operates amusement parks, cruise ships, and hotels.



Connecting your dreams

