

KORAIL, Creating Happiness



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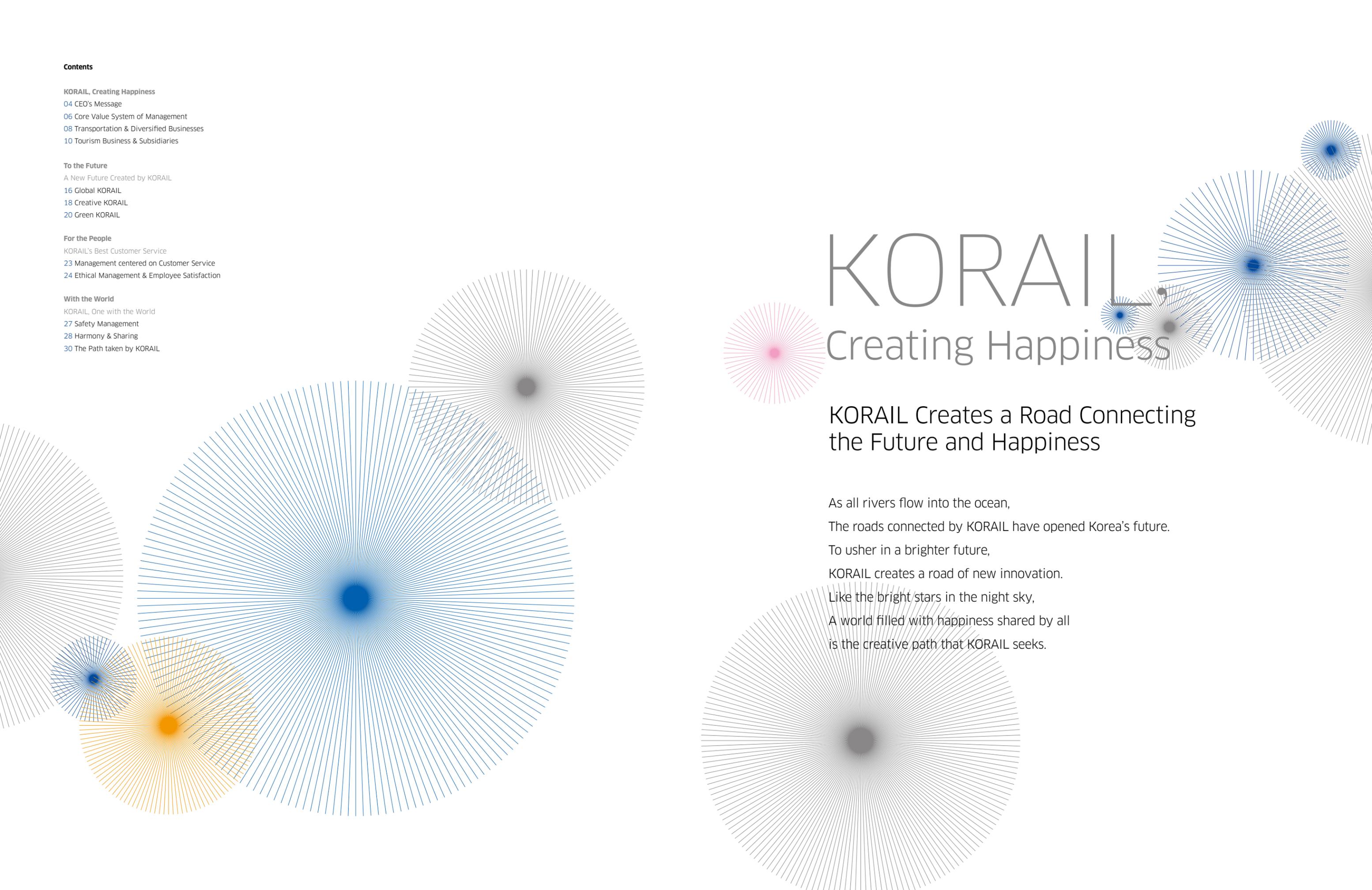
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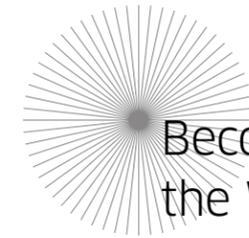


KORAIL

Creating Happiness

KORAIL Creates a Road Connecting the Future and Happiness

As all rivers flow into the ocean,
The roads connected by KORAIL have opened Korea's future.
To usher in a brighter future,
KORAIL creates a road of new innovation.
Like the bright stars in the night sky,
A world filled with happiness shared by all
is the creative path that KORAIL seeks.



Becoming One with the People, the World, and the Future, KORAIL Strives for the Happiness of All

Since the launch of the Gyeongin Line connecting Seoul to Incheon in 1899, the Korean railways have dedicated themselves to becoming a trustworthy partner to the people of Korea. As the railways connected every corner of the country and as more stations were built, the national industry and economy boomed and the lives of citizens became more productive.

KORAIL strives to provide the best service to our customers around the clock. Our "Safety First" management takes pride in providing safe railway services based on cutting-edge technology that our customers can rely on.

Launching the KTX, the world's only fifth high speed rail service, KORAIL connected cities across the country within a few hours' distance. KORAIL has injected vitality into stagnant regions of the country and created jobs by transforming such regions into tourist destinations, utilizing its nationwide railway network.

In addition, with Symphony Orchestra Concerts and Whistle Stop Design Project, KORAIL offers various cultural experiences along the lines of its railways, establishing itself a partner in people's lives, more than just a transport company.

The railways are emerging as a crucial means to realize the Korean government's Eurasia Initiative that envisions making Eurasia into a united continent of peace and creativity. As an affiliated enterprise of the Organization for Co-operation between Railways (OSJD), KORAIL is gradually realizing the long-lost dream of building a transcontinental railway network.

Until the day when our trains depart Seoul and head to London running across the Eurasian continent, KORAIL will continue to share our vision for the Korean railways and remain committed to the happiness of all.

Korea Railroad Corporation
Choi Yeon-Hye President & CEO

KORAIL Creates Happiness and Hopes for All

To bring about a better tomorrow, KORAIL has set “KORAIL, for the Happiness of All” as our new vision. This is the promise that our entire staff will strive to make people’s lives better. Also, it is our pledge to create a new path into the future as one with the people and the world. KORAIL will always remain at the forefront in sharing happiness and opening up a brighter future.

Management Value System



Targets for the Year 2020



Customer Satisfaction is the Core Driving Force of KORAIL's Transportation Business

Every time KORAIL opens a new route, people's happiness deepens.
 Every time people's happiness grows, KORAIL becomes a greater corporation.
 Customer Satisfaction is the core energy that powers our business.

Passenger Transport

Trains such as the high-speed KTX-Sancheon and ITX-Saemaeul illustrate the vitality and diversity of KORAIL's Passenger Transport Business. Direct connection to the Incheon International Airport via the KTX and establishment of a rail line that will connect the Seoul Metropolitan Area with Gangwon Province in about an hour will contribute to the success of the 2018 Pyeongchang Winter Olympics and to the regional development of Korea. The KTX Incheon International Airport-Gangneung line will be opened in 2017.

KORAIL Metropolitan Railroad Business

To expand faster and convenient travel, KORAIL operates the Metro Transit connecting the Seoul Metropolitan Area to Gangwon Province, South Chungcheong as well as the ITX-Cheongchun line.

Freight Transport

From rail carriers to international freight transportation arrangement service, KORAIL endeavors to provide the best rail transportation service by offering appropriate strategic travel packages, and seasonally-adjusted train schedules to provide the most efficient service to our customers.

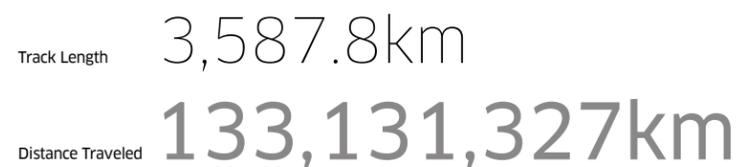
Diversified Businesses

KORAIL's diversified businesses include station area development, asset development, tourism and overseas business. In addition, KORAIL sets aside areas within our stations for SMEs to promote and sell their products, regional products, providing meeting rooms, and a variety of other services.

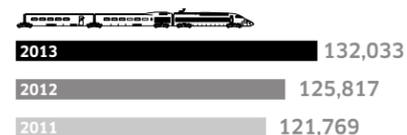
Rolling Stock and Facility Maintenance

We provide maintenance on train cars and leasing service as well as produce and sell equipment. Also, we provide maintenance and repair services on railroad facilities.

Transportation Business Distance Traveled (as of 2013)



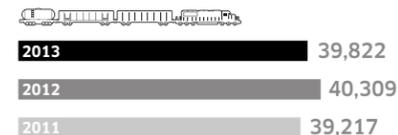
Passenger Transport, Number of People Traveled (Unit : 1,000 persons)



Metro Transit, Number of People Traveled (Unit : 1,000 persons)



Freight Transport, Freight Volume (Unit : 1,000 ton)





Rail Cruise Haerang

Rail Cruise Haerang is the only hotel-style train in Korea. Haerang offers a chance to experience beautiful Korea far and wide in high quality tourism package.

Gyeongbuk Circular Theme Tour Train

Enjoy performances of saxophone and acoustic guitar while traveling to Yeongju, Yeongdeok, Gumi, and Gyeongju to experience the pure nature of Gyeongbuk province and a variety of field learning.

Wine & Cinema Train

Enjoy not only the best wine and movie selections but a variety of recreation along with the outstanding flavors of Yeongdong, Chungbuk Province.

Sea Train

All seats are facing the sea to enjoy the beauty of Gangneung, Donghae, and Samcheok on a 58km route along the coastlines of Korea's famous East Sea.

E-train (Educational Train)

Education, culture, tourism, and IT are all combined in this package to create the world's first "Educational Train" catering to school and company field trips for large groups of people.

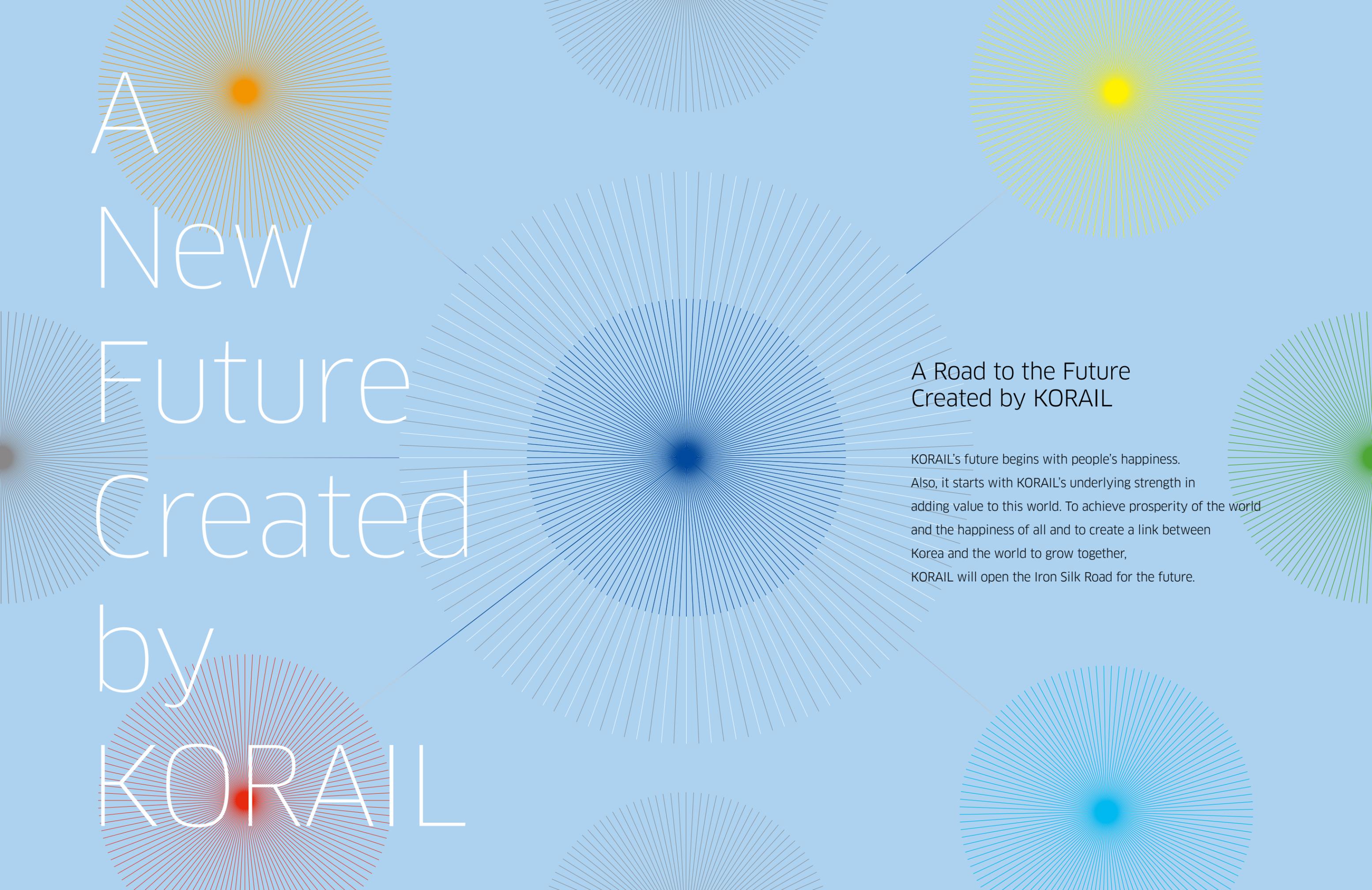
ITX-Cheongchun

The first double decker train in the country equipped with various convenient facilities, this package offers youthful and romantic travel experience.

KORAIL Subsidiaries

KORAIL subsidiaries provide specialized and professional services contributing to customer satisfaction by analyzing diverse customer needs in advance.





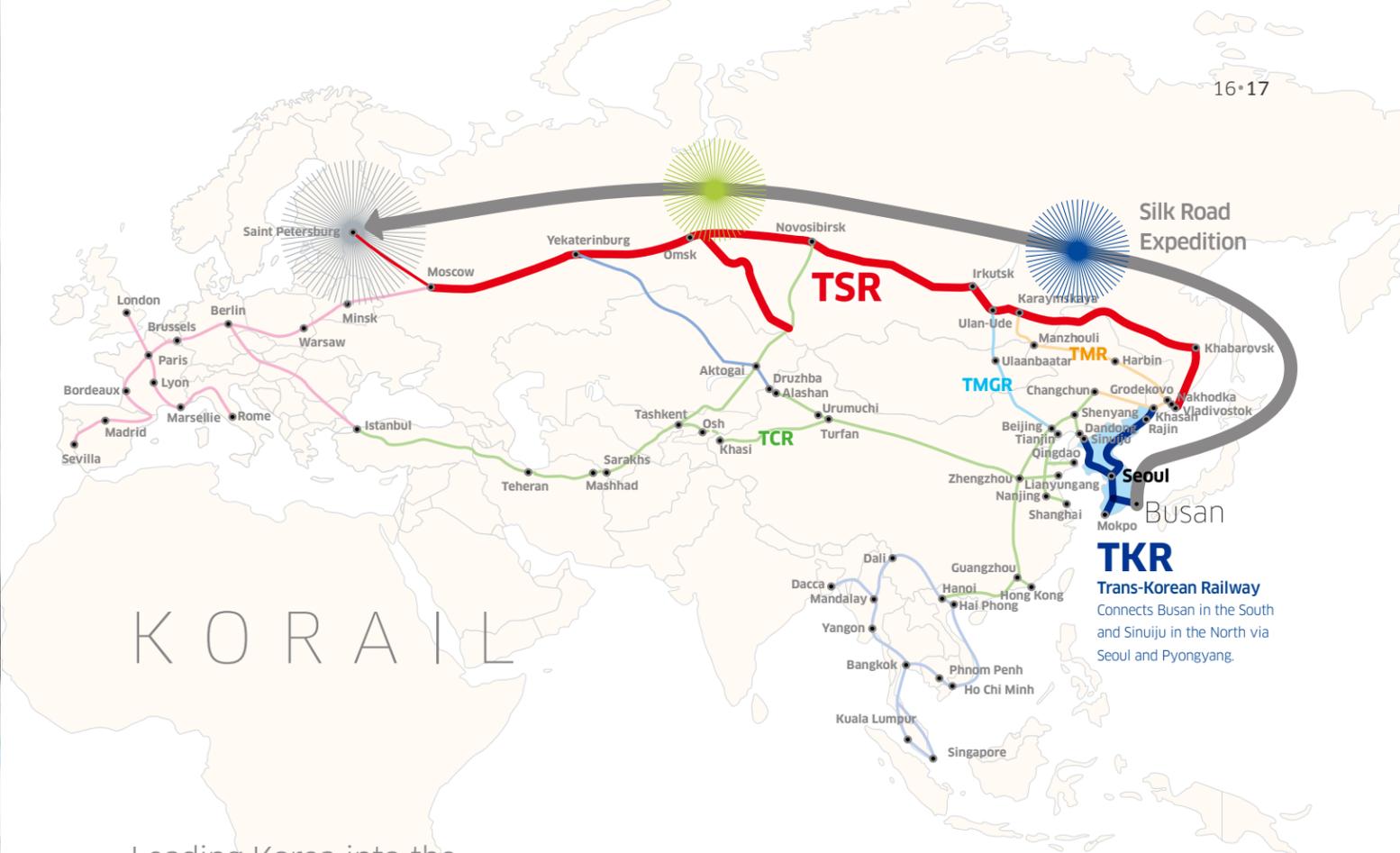
A
New
Future
Created
by
KORAIL

A Road to the Future
Created by KORAIL

KORAIL's future begins with people's happiness.
Also, it starts with KORAIL's underlying strength in
adding value to this world. To achieve prosperity of the world
and the happiness of all and to create a link between
Korea and the world to grow together,
KORAIL will open the Iron Silk Road for the future.



Global



Leading Korea into the World and the World into the Future, KORAIL Is Always at the Forefront.

A successful future depends on how innovative changes are created. A Eurasian Transcontinental railway and Dorasan Station equipped with international customs clearance system are some of the aspects of globalism sought by KORAIL in order to set a new image for Korea as a leader in the future of railroad. Leading Korea into the world, and the world into the future, KORAIL is always at the forefront.

Host of the 2015 OSJD General Directors' Roundtable
 The OSJD is an international organization for co-operation between railways formed on June 28, 1956 in Bulgaria with former Soviet Union and East European countries as its members. KORAIL became its affiliated enterprise in 2014 and attended the annual General Directors' Conference held in Pyongyang. In 2015, KORAIL hosts the OSJD Conference on Freight Traffic and General Directors' Roundtable in Seoul where the representatives of 27 member countries will participate.

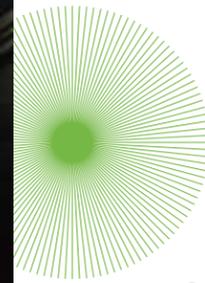


2015 Silk Road Express (SRX) Expedition
 The Silk Road Express Expedition consists of members selected through a nationwide open call. The expedition will travel through Eurasia on a train bringing Korea and the world together through various experience, realizing the grand dream of globalization.

Efforts to Connect the Trans-Korean Railroad
 Participating in the Rajin-Khasan Project, newly establishing dedicated task force for Trans-Korean and Transcontinental Railroad projects, and operating Gaeseong Commuter Train, KORAIL is putting great efforts into the future of a reunified Korean Peninsula.



Creative



KORAIL Will Create a Road that Brings Happiness to More People

KORAIL

We find pleasure in inspiring people with our new travel packages and innovative services. We find delight in contributing to regional economies by rediscovering its uniqueness and catering to the needs of our customers. We take pride in our development efforts to introduce various cooperative models and programs. These are the foundation of KORAIL's creative management.



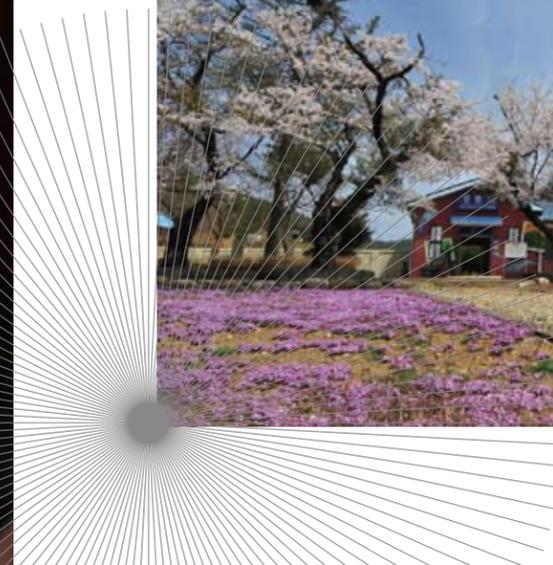
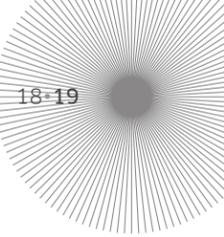
Vitalization of Regional Economy and Culture

Each Railroad Tourism Region boasts excellent tourist attractions. KORAIL's tourist trains shed light on provincial areas that have been long neglected due to low accessibility. By developing and reconnecting service to tracks not in use, KORAIL introduces various creative tourism packages. Also, in collaboration with local governments, we offer tours filled with fun activities and revive forgotten tourist attractions through "whistle stop project" that includes percussion shows and traditional Korean instrument performances to spread arts and culture throughout Korea and revitalize regional economy.



Integrated Management of Metropolitan Traffic Information

KORAIL introduced the "Rail Plus Card," which can be used for all modes of transportation in Korea including trains, buses and subways by integrated management of metropolitan traffic information. Also, KORAIL established the "KORAIL Traffic Information Center," which analyzes the transit patterns of our customers in order to provide a more efficient and convenient service.



Green

Green Future,
KORAIL Creates
Green Hope

KORAIL

Compared with a car trip, the amount of carbon dioxide reduction in a Seoul-Busan train trip has an equivalent effect of planting 12.4 pine trees. Railroad is the most energy efficient mode of transportation beyond any other modes keeping all parts of Korea clean and green. KORAIL continues to work to keep the environment clean.

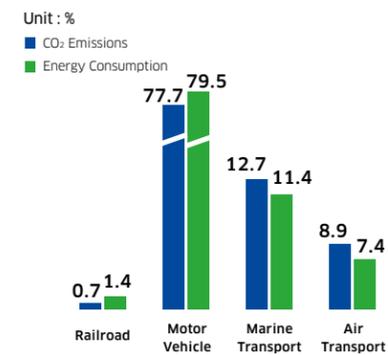
Carbon Labeling Certification



Railroad Transport Service (1 person, one-way trip on the Nuriro on the Seoul-Shinchang section)



CO2 Emissions by Transportation Mode



Constructing Environment-friendly, Green Railroad

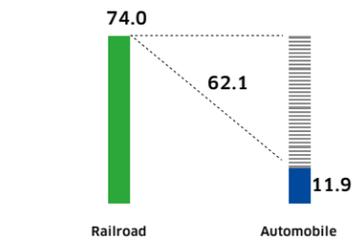
To achieve low carbon, green growth, KORAIL strives to continue its energy saving projects, improving management capacity on greenhouse gas and energy, building environment-friendly railbeds, and purchasing green products.

Minimizing Environmental Effects

KORAIL puts greatest efforts in creating a good environment by minimizing pollutant emissions through a strict management of water and air quality, waste and soil as well as noise and vibration control.

Effects of Using Railroad vs. Planting Trees

Seoul-Busan / Unit : kg CO2



Taking the KTX from Seoul to Busan has an emissions reduction effect equivalent to planting 12.4 pine trees.
*1 pine tree absorbs about 5kg of CO2.

KORAIL'S Best Customer Service

Customer Satisfaction

KORAIL,
Inspiring Customers with
the Best Service



Like the mobile app "KORAIL Talk" that provides information from ticket reservation to railroad stations on a real-time basis, KORAIL continues to provide convenience and pleasure to all our customers through excellent customer service.

By transforming whistle stops into a hub of culture and arts, KORAIL offers a venue for regional communities and tourists to come together. Such projects include symphony orchestra and cultural performances that bring joy and healing experience and inspire our customers.



Customer-centered Service

We strive to provide the most convenient service to our customers through mobile and Internet reservation service, abolishing the need for manual ticket checking at stations. Through "Self Ticketing Service" tickets are checked while customers are on board. In addition, we develop and provide creative and multi-dimensional customer services that include performances at "Seoul Station Open Concert Hall" and renovation of information medium.

Communication-centered Service

To keep close to our customers, KORAIL operates a 24-hour customer service via text message and a VOC integrated Internet system. Also, the handling progress of all customer complaints is notified to customers through text messages.



Ethical Management

Transparent Corporate Culture Exemplifies the Value of KORAIL.

To foster the highest level of corporate ethics, KORAIL promotes various activities on integrity based on the principle of ethical management.

Through preemptive prevention and strict ethical evaluations, we continually monitor the level of ethics in our company.

In order to create a transparent and clean corporate culture, KORAIL will continue to pursue self innovation.

Board of Directors for Transparent Ethical Management

To reduce risks and firmly establish ethical corporate culture, KORAIL has in place a Board of Directors composed of 8 members including the CEO, a Permanent Inspection Commissioner, and others to oversee Transparent Ethical Management.

Quasi-Inspector System

To establish efficient internal control and upstanding organizational culture, KORAIL operates the "Quasi-Inspector System" within each department for self-inspection and risk management.

KORAIL Ombudsman

We operate an "Ombudsman system" in order to improve services requested by customers and to resolve customer complaints with the help of commissioned external experts.

Employee Satisfaction



The Smiles of KORAIL Employees are the Energy that Leads to Customer Satisfaction.

In order to inspire our customers and emerge as a leading global corporation in the transportation industry, all KORAIL staffs practice "Open Communication."

Cultivating Talents

KORAIL has firmly settled "Open Employment Culture" within our company to foster talents that will lead the future of KORAIL by providing education and training focusing on performance and competence. Also, KORAIL systematically nurtures professionals in the fields of safety, technology, CS, etc. in order to enhance our competitiveness in the global railroad market.

Family-friendly Company Culture

KORAIL supports employees in areas such as balancing work and family life, flexible working hours, welfare programs, and retiree program as a part of the welfare support to enhance the quality of employee's life. As a result, KORAIL received the recognition as the "Family-friendly Company" for 4 consecutive years from the Ministry of Gender Equality & Family of Korea.



KORAIL, One with the World

Safety Management

Sharing the Safety Values of KORAIL with the World

KORAIL sets safety as the top priority task to gain customers' trust. Also, we pursue various activities to share our values with the people in order to make this world a better place. Safety is a value that cannot be overemphasized. KORAIL consistently strives to share not only its safety values but also values that bring happiness to the people and build an affluent world.



Safety Management
Safety is the core value in transportation business. As such, KORAIL consistently strengthens its safety measures, placing priority on effectiveness. In addition, KORAIL strives to provide an optimal working environment to our employees.

Railroad Safety System
The quarterly inspection of rail conditions has been upgraded to bi-monthly inspection and we maintain our railroad tracks in a safe condition by using the curve laser device. In addition, we operate the Train Service Information, which reports major breakdowns of operating trains on a real-time basis as well as electrical installation and autopilot surveillance system.

Safety & Health Management
In order to improve the driver's capability during emergency situations, KORAIL provides education and training to all of our drivers. Also, to support employees suffering from stress and psychological pain, KORAIL operates the "Human Safety Center" to firmly establish the safety culture within the company.



Harmony

Alliance with SMEs,
Cooperative Companies

Pioneering a Cooperative Future, KORAIL Leads the Way.

KORAIL has been growing with SMEs through expanding benefit sharing, technical cooperation and partnership business, and pioneering new domestic and overseas markets. KORAIL promises to continue our work in opening a new future with new values through seeking co-prosperity with our partner companies.

Collaborative Management

KORAIL not only enhances the competitiveness of the railroad industry along with related SMEs but also supports workplace accident prevention and cooperation in keeping safety, which are practical ways in promoting collaborative management.

Strengthening SME Competitiveness

Starting from technology development to purchasing, KORAIL promotes the virtuous cycle of collaborative advancement. In addition, KORAIL established a consortium composed of 40 private and public organizations in order to advance into overseas markets. KORAIL continues to pursue research and support to strengthen the competitiveness of Korea's SMEs.

Promotion of Collaborative Partnership with SMEs

KORAIL supports SMEs through SME Goods Store and joint ventures into overseas markets, assisting SMEs' stability.

Sharing

Sharing with Regional Community

Thoughtful Consideration and Sharing Culture Is the Long Held Tradition of KORAIL.

The value of sharing grows with sharing, and this is one of KORAIL's future-oriented values. KORAIL stands at the forefront of supporting local communities to become a reliable pillar of our society providing various social contributions.

Management of Sharing

KORAIL operates 3 specialized social contribution programs such as Talent Sharing, Happiness Sharing and Local Contribution in order to boost the advancement of local community. We carry out on-site volunteer activities in order to provide practical help to more people.

Specialized Social Contribution Activities

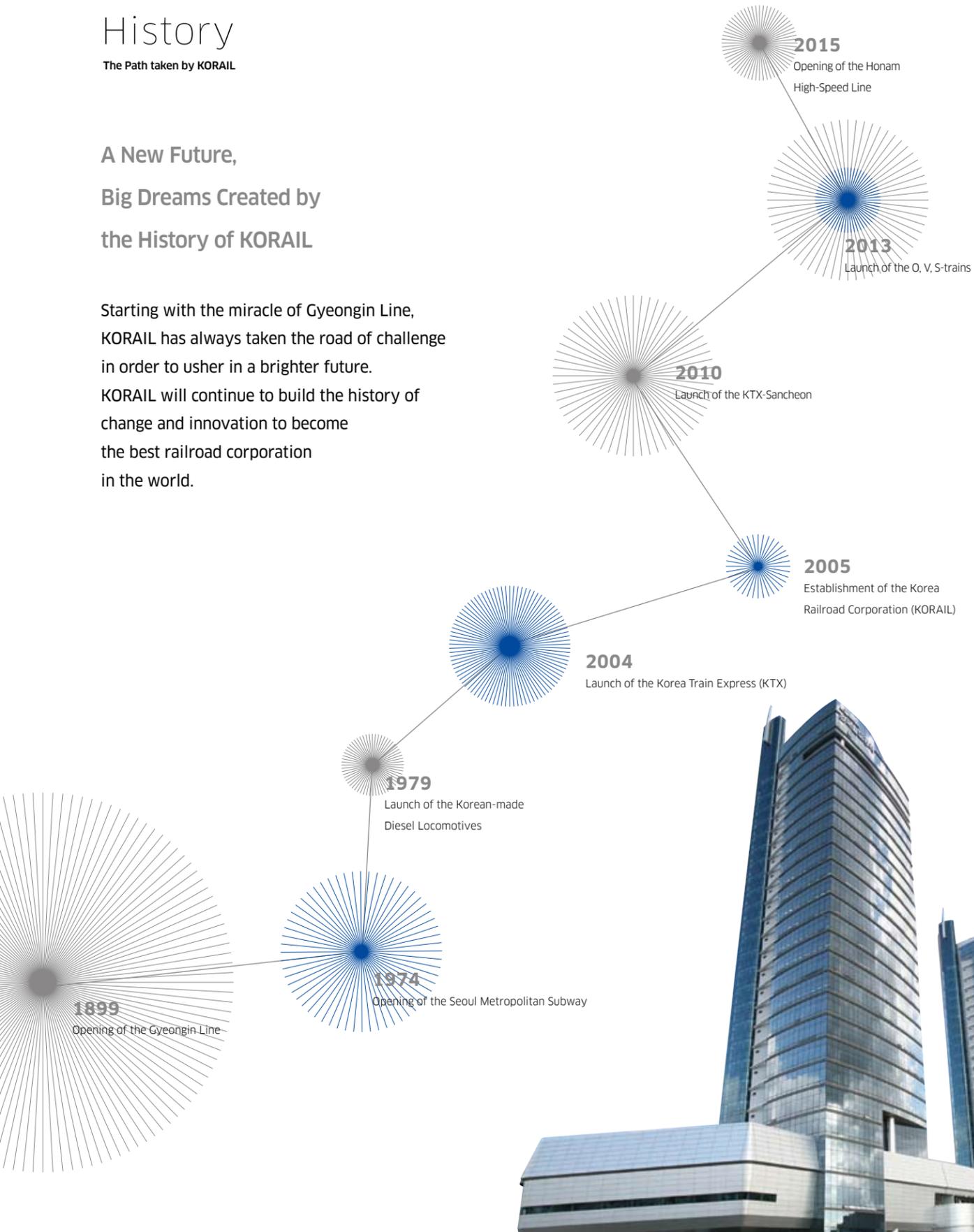
We provide specialized social contributions such as Happy Train, which provides railroad tour packages to socially disadvantaged individuals, "KORAIL Village" which remodels old houses, self-support program for the homeless; youth education on railroad, "KORAIL Happiness Sharing Wedding" providing wedding service to those who cannot afford the cost, and a type of talent-sharing "KORAIL Symphony Orchestra" performances.

History

The Path taken by KORAIL

A New Future, Big Dreams Created by the History of KORAIL

Starting with the miracle of Gyeongin Line, KORAIL has always taken the road of challenge in order to usher in a brighter future. KORAIL will continue to build the history of change and innovation to become the best railroad corporation in the world.





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