

II-3 Relationship with Employees

II-3-1 Demonstrating the power of human resources

In order to ensure safe and reliable rail transport and provide services that will satisfy customers, it is vitally important for us to create an environment where JR East's personnel can fully exercise their abilities.

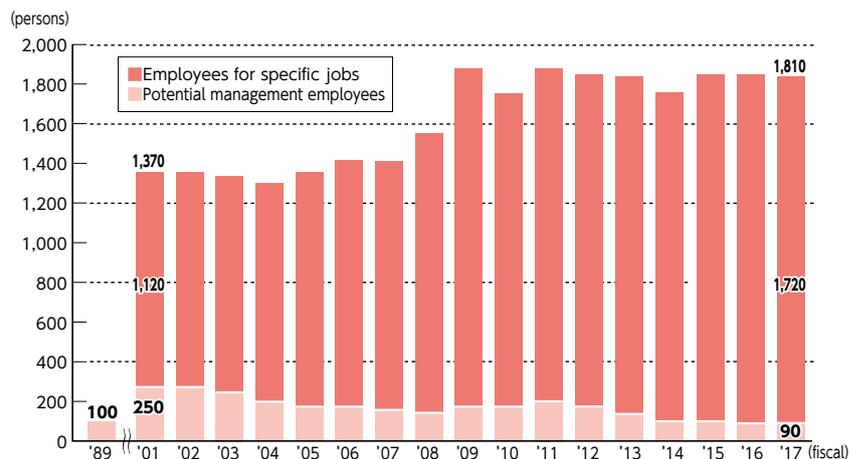
We also have to face the fact that society is in a continual state of change, and this includes both the awareness of working people and their working environments. As a result of this, we believe that JR East must constantly respond to the motivation of all our employees as they work to meet their responsibilities, and thereby bring about improved safety and increased customer satisfaction.

JR East continues to work to provide an environment in which all employees can enjoy their jobs while constantly striving to attain even higher goals. To that end, we are determined to face the challenge of creating a company where people grow through their work from the perspectives of how to respond to the motivation of each employee to meet challenges, how to ensure a suitable work-life balance, and how to make full use of the diversity of our human resources. Specifically, the company advocated reforms to its culture, including opening up our organization to young employees and giving increased opportunities for motivated people to apply for inclusion in training and other new projects, exchanging people with other companies, and passing on technical knowledge and skills to the next generation.

► Recruitment Track Record

The main support of JR East is found in the capabilities of each and every employee. Our basic philosophy is to employ people based primarily on their personalities and abilities and then to steadily nurture them until they reach the full flowering of their abilities. Because of the large number of employees reaching retirement age, we have recruited about 1,800 new employees in the fiscal year ending March 2017 to fulfill the need to transfer knowledge and technologies to the next generation and to continue operating the business.

■ Number of new employees by fiscal year



► Skills Development • Training

The development of human resources and the steady and continuous introduction of new technologies and skills are vital to the sustainable growth of the JR East Group. Based on a perspective of nurturing quality through work, we are striving to enhance the organizational power of the Group and to develop human resources capable of shouldering the burdens of the future.

With this in mind we constantly conduct training programs at our General Education Center and in branch offices and hold many kinds of seminars at our Head Office. And as part of our support for all employees to set their own challenges for self-education and to thereby heighten their abilities, we offer both internal and external correspondence courses. The internal courses are aimed at the acquisition of knowledge and skills directly connected to our employees' duties, while the external courses are connected to indispensable business skills and knowledge, including management know-how, qualifications acquisition, languages, and office automation.

▶ My Project

In order to encourage our employees to face the challenges of taking the next steps in their careers, in January 2011 we upgraded our small groups and proposal activities and initiated the My Project program. This program is comprised of three aspects: self-starting, freedom of method and importance of process, with the fruit being the employee's personal growth. The project is based on the belief that working for personal improvement is an opportunity for the fostering of human resources, and, thereby, aims to nurture employees capable of thinking and acting independently.

▶ JR East Technical Academy

In order to motivate our young employees and encourage them to develop into professionals capable of playing leading roles in all fields of railway technology, we established the JR East Technical Academy in March 2009. The 7th year class which started in March 2015 includes 61 employees from 12 technological fields; 8 of them are from Group companies and partner companies, and 5 are participating only in some programs as listeners. They will be working together as a group for one year to improve their technical capability and strength. The program has been designed to enable participants to thoroughly learn the theory and structure of their individual professional fields as well as to provide them with a comprehensive overview of railway technologies and systems in general. Through research at universities and from practical training sessions at manufacturers, furthermore, we hope to enable all participants to acquire a broad range of knowledge.

▶ Skills Training Centers: Develop engineers for future railway transportation

Integral to our efforts to ensure that experienced employees pass on their technologies and skills to the next generation of technical staff who will carry the responsibilities for railways in the future is our establishment of skills training centers designed to support the continuity of railway-specific technologies and skills in individual workplaces. We have established 104 centers by also making use of existing training facilities. In our skills training center for rolling stock maintenance, for example, railway car component mockups (power collection equipment, door opening-closing devices, and braking equipment) have been set up, while in our facilities maintenance section, railway facilities (tracks, turnouts, platforms, overhead line equipment, signals, etc.) have been installed, so training sessions can take place in virtually real environments.



Training at skills training centers

II-3-2 Promotion of Diversity Management

Based on the recognition the strength of JR East lies with the diversified viewpoints and differences in values that reflect gender and other attributes, experience and skills possessed by employees and others working at the JR East Group, we promote "diversity management" with an aim to create a company group where such diversified personnel can exert their capabilities to the fullest.

▶ Efforts on globalization of corporate culture

In addition to the overseas study program for obtaining MBA, etc. which we have been offering for some time, "overseas experience program" (for around 100 people), in which employees are dispatched to various cities in the world (including non-English speaking countries) for three months to experience local culture through mainly learning the language while in homestay, is conducted. There is also "overseas railway consulting OJT training program" (for around 30 people), in which employees participate in an overseas railway consulting project centering on Japan International Consultants for Transportation Co., Ltd. for about three months. Other programs include overseas training (for about 500 people) taking place mostly in Southeast Asia, and altogether more than 600 employees are provided with opportunities to experience overseas every year. Many front-line employees participate in these overseas studies and trainings with the motivation.



OJT trainees (Myanmar)

On top of the above, we are working to improve language skills of our employees to meet the needs of foreign visitors, who have been increasing in number, and are encouraging them to take the TOEIC® test at the expense of the company (once a year). Not only this, we have established "Challenge! Foreign Language Program," a correspondent training system, to learn Thai, Indonesian and Vietnamese. Furthermore, we are focusing on recruiting foreign nationals as both potential management employees and employees for specific jobs.

▶ Promoting Involvement of Female Employees

As many employees are working under an irregular work schedule, we have positioned involvement of female employees as a key test for diversity and have been strongly pursuing such with focused efforts. As a result of various measures centering on expanding the positions available to women, including appointment as crew, in order to realize gender equality since our establishment, all positions now have working female employees. In accordance with prolonging the careers of female employees, we will swiftly implement necessary measures with an eye to cultivate personnel capable of playing an active role in management going forward. Specifically, we have set the following targets for each stage of "employment," "development" and "appointment."



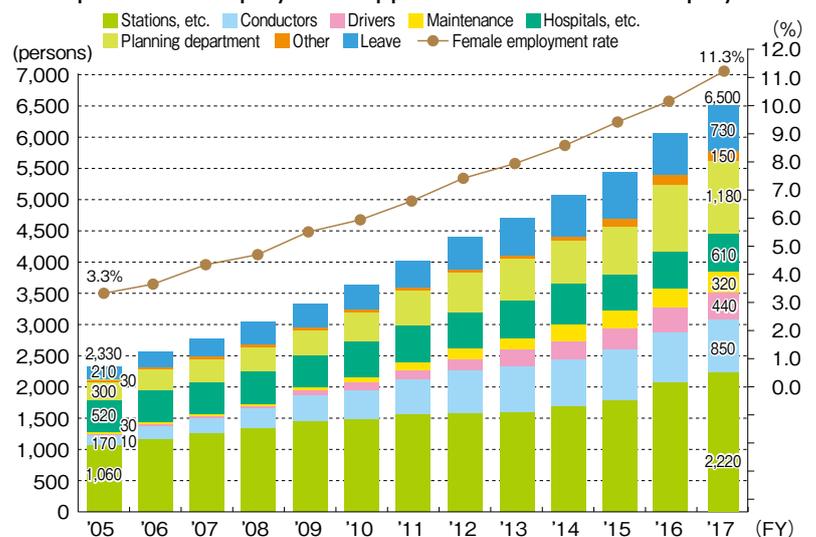
JR East was certified as an "Eruboshi" company (the highest rank, Grade 3) from the Ministry of Health, Labour and Welfare based on the Act of Promotion of Women's Participation and Advancement in the Workplace.

■ Targets for promoting involvement of female employees

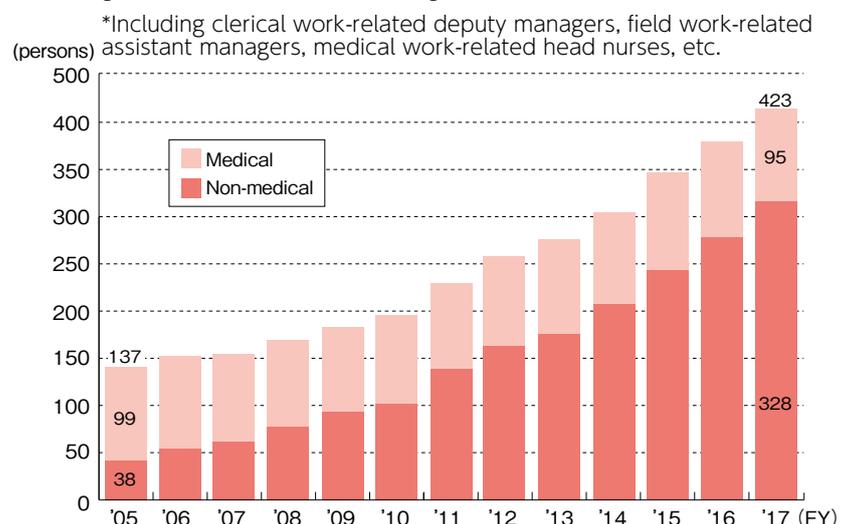
- Aim for a female new graduate employment rate of over 30% by the end of FY2019.
- Of the recruited, aim for 40% in the rate of female employees who wish to become crew in the future.
- Develop an environment where diversified working styles are accepted and all employees can continue working with enthusiasm.
- Aim for a female manager rate of 5% by the end of FY2019.

As of April 1, 2016, the number of female employees at our company is 6,501 (11.3% of all employees) and the number of female managers is 152 (3.7% of all managers). The number of female employees occupying important positions such as deputy general managers at the head office and branch offices, supervisors of facilities in the field (station managers, etc.), and directors of group companies is on the rise. As of June 23, 2016, we have appointed one female outside director and two corporate officers.

■ Expansion of Employment Opportunities for Female Employees



■ Changes in Number of Female Managers Over Time



▶General Business Operator Action Plan

JR East has formulated the "4th phase general business operator action plan" based on the "general business operator action plans" in line with the Act of Promotion of Women's Participation and Advancement in the Workplace and on the Law for Measures to Support the Development of the Next Generation.

Duration: April 1, 2016– March 31, 2019

In November 2008 and in August 2012 we were certified by the Minister of Health, Labour and Welfare as a company supporting the upbringing of the next-generation of children.



Next-generation certified logo ("Kurumin")

▶Employing Persons with Disabilities

As of June 2016, 2.46% of our workforce consisted of employees with disabilities. These members of our staff work alongside other employees in a broad range of positions. We further increased our ability to employ people with disabilities in April 2008, when we established JR East Green Partners Co., Ltd. which was charged with the task of promoting their employment and helping us meet our social responsibility to improve the work environment for such employees. The company was certified as a special subsidiary in May 2009.

JR East Green Partners Co., Ltd.

JR East Green Partners, a special JR East subsidiary, was started in April 2009 and charged with the task of overall management of uniforms used in JR East. Since then, the subsidiary has begun additional business such as printing and tree planting maintenance and management, in our continued efforts to expand work opportunities for people with disabilities.

In addition to organizing the employment of people with disabilities, JR East Green Partners now cooperates with support organizations and special support schools and provides work training opportunities for disabled persons wishing to secure corporate positions. By carrying out a broad range of activities, the company supports the entire Group in the fulfillment of its social responsibilities.



Uniform sorting



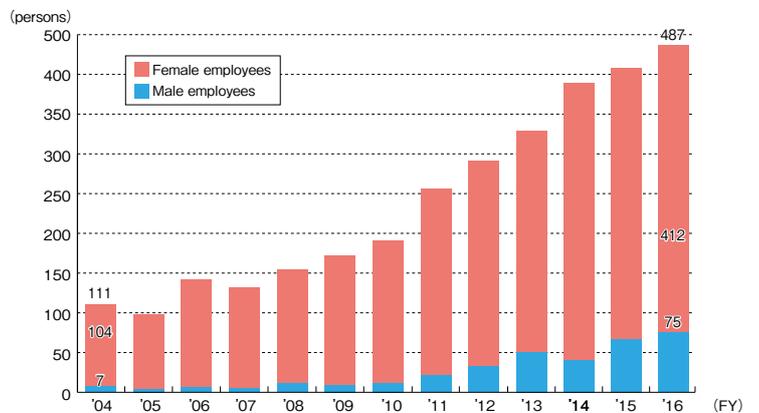
Plant maintenance in collaboration with local communities

▶Support the balance between work and childcare/nursing responsibilities

Based on the concept of increasing the options for achieving the balance between work and childcare/nursing, regardless of occupation, JR East introduced "Shorter Working Hours" in FY2011. In this program, all employees are eligible for shorter working days (six daytime hours) until their child reaches three years of age.

In addition, we also introduced "Fewer Working Days." In this program, employees with children who have not reached the third grade of elementary school are entitled to four days a month as days off. Furthermore, both "Shorter Working Hours" and "Fewer Working Days" were made applicable to "nursing" (care of other family members), and are now called "Working with Childcare/Nursing A" and "Working with Childcare/Nursing B." We also revised programs, such as extending the availability of childcare leave to the time when the child reaches three years of age and expanding the scope of coverage of "parental leave" (entitled to take up to five days off a month for taking care of a child) and "sick/injured child care leave" (entitled to take up to five days off a year for looking after a child in the event of the child's sickness or injury; ten days permitted for those with two or more children), which also applies until the child reaches the third grade of elementary school. In this manner, there is a growing range of options for ways of working during childcare/nursing periods.

■ Changes in Employees Taking Childcare Leave



*Data includes only the number of regular employees and does not include that of green staff or non-regular employees.

Changes in Employees Opting to Work Shorter Hours or Fewer Days

A = Working shorter hours
B = Working fewer days

Gender	2010			2011			2012			2013			2014			2015			2016		
	A	B	Total	A	B	Total	A	B	Total	A	B	Total									
Male	2	2	4	2	4	6	2	2	4	2	0	2	5	6	11	2	10	12	1	9	10
Female	27	29	56	60	44	104	80	74	154	105	98	203	103	154	257	125	176	301	136	200	336
Total	29	31	60	62	48	110	82	76	158	107	98	205	108	160	268	127	186	313	137	209	346

Concrete action example

- Established workplace nursery schools (two in Tokyo and one in Sendai) and a hospital nursery school (JR Tokyo General Hospital)
- Implementing a seminar to support the achievement of the balance between work and home life (childcare/nursing)



A seminar for supporting the achievement of balanced work and home life (childcare)

Seminar to promote understanding of in-house systems and to support return to work

Welfare and Other Programs

We are also dedicating efforts to the establishment of welfare and other various programs, including annual paid leave, in order to support employees so that they may work with enthusiasm, feel challenged and have job satisfaction, and thereby demonstrating their fullest potential.

Average number of days of annual paid leave taken	Average rate of annual paid leave taken
17.9 days	Approx. 91.8% of allowed annual paid leave was actually taken

(for the fiscal year ended March 2016)

Elder Employee System

During the fiscal year ended March 2009, JR East introduced the Elder Employee System that encourages employees who have reached retirement age to continue working for Group companies that can benefit from their individual capabilities and skills. This is done by approximately 80% of the eligible employees. This plan enables retired employees to stabilize their lives until they reach their fully pensionable ages, as well as encourages them to continue to contribute to our Group-wide accumulation of know-how.

II-3-3 To Improve Working Environment

▶Mental Health Care

In order to maintain and improve the mental health of our employees, we believe it is vitally important for all our employees to recognize stress in their everyday lives and deal with it promptly as well as for the managers to take appropriate actions. Therefore, we are taking various support measures, such as the distribution to all employees of a pamphlet about self-care to increase their awareness of this problem. We have also set up a counseling service in conjunction with a JR East medical facility and, through this, respond individually to our employees' needs. In order to promote front-line care in the workplace, beginning in the fiscal year ended March 2008, we also organized training programs for onsite supervisors. In addition, following the partial amendment of the Industrial Safety and Health Act, we will offer a stress check to all employees starting from FY2017 to grasp the amount of mental stress employees are under.

▶Promotion of Health Measures

In order to maintain/promote health of employees, we provide influenza vaccination (FY2016: vaccination rate of 78%) for all employees, complete medical checkup for those 35 years old or over, gynecological exams (for breast cancer and uterine cancer) for women under 35 years old aiming for early detection of diseases unique to women, special health checkup/special health guidance as lifestyle diseases prevention by health nurses of directly operated medical institutions, etc. and such.

▶Human Rights Enlightenment

In order to educate our employees in the necessity for enhanced human rights, we have established a human rights enlightenment promotion committee in the Head Office.

Specifically, the activities of this committee include human rights seminars for officers and employees of JR East Group and for those in charge of human rights enlightenment in organizations and Group companies. To propagate human rights awareness, it also conducts lectures on human rights enlightenment in training sessions attended by new recruits, new train crews, work-implementation managers, and new managers.

Furthermore, human rights education both for our employees and for their families has been promoted through articles spotlighting human rights problems that could occur in our environment that appear in our newsletter.

We have also joined the Industrial Federation for Human Rights, Tokyo, and are conducting human rights enlightenment activities externally along with information exchanges and mutual enlightenment discussions with member companies of the Federation.



Human Rights Seminar

Special
Topic IV

Employee Development Initiatives

During this time of sweeping changes, the JR East Group is striving to develop employees and create a corporate culture that maximizes human potential, based on the belief that the growth of individual employees is essential to the growth of the Group. We have established many opportunities for motivated employees to apply themselves and tackle new challenges, such as in-house and external training and seminars, cross-industrial exchange training, e-learning, the Technical Academy, and an open application system for new positions, so that they may experience personal growth and fulfillment through their work.

In addition, with a view to expanding employees' fields of activity and cultivating open-minded individuals through active exchange inside and outside the company, we are working to develop personnel with a global perspective through various initiatives—for example, we dispatch around 600 employees per year overseas through our long-term and short-term exchange programs (domestic and international), training abroad opportunities, and Ever Onward global HR development program. Through these diverse programs, we are striving to establish a company ethos that encourages each individual employee to value challenges with a can-do attitude, create a corporate culture that is open to the world, and cultivate a wide variety of broad-minded human personnel.



The Technical Academy



Overseas experience program



Training for new recruits



Practical Management Training course to develop future managers

VOICE

Learning not just a language but also the importance of taking prompt action.

Katsuhiro Ishikawa

Oyama Rolling Stock Center
East Japan Railway Company



In 2014, I applied for an internal overseas training opportunity and spent three months in Brighton, a seaside city in England, studying English. In addition to acquiring language skills, another purpose of the training was to set personal goals and apply what I learned from my experiences abroad to my daily work. I wanted to use the opportunity to improve my inter-personal communication skills. What really struck me during the experience of studying abroad was that it's extremely important to do things when you have the chance to do them, rather than waiting. In my regular work, I've had the experience many times of putting something off until later because I still had time, then later realizing that I no longer had time for it. While overseas, it was particularly difficult to anticipate how things would turn out, and I found that if I didn't act on an idea as soon as I thought about it, I would ultimately end up not being able to do it. Now, I realize that the more I put things off, the more difficult it will make things for me, and so I have learned to be more proactive in my work.

I also think that the training has made me more confident, in a number of senses. When I was able to feel comfortable conversing with foreign tourists visiting Nikko, I realized that I had not just improved my English ability but became more confident in terms of communication as well. The same applied in my daily work of rolling stock maintenance. For example, when there is a problem with a train running on the main line, you have to think about the best measures to take at the rolling stock center and what order they should be done in, and then take immediate action; otherwise, the situation will steadily get worse. I've now come to realize that it's important to take action no matter what; rather than worrying over what to do, it's better to do something, and if that doesn't work, try something else.

I am a member of a project on providing hospitality for foreign visitors to Japan that is being developed by the Omiya branch, and I have been able to apply what I learned during my time training abroad to this work as well.

The project has implemented activities aimed at providing railway services that are easy for anyone to use by considering the perspective of customers from other countries. For instance, at stations, transferring trains or finding nearby tourist attractions can sometimes be confusing, even for Japanese customers. I've become keenly aware of how difficult it must be for foreign customers to understand. Drawing on my own experience when training abroad, I have tried to look at things from the viewpoint of a visitor to Japan and worked to improve station facilities, better promote tourist attractions, and increase employees' readiness. Going forward, I want to pursue these efforts even further.



If you're considering taking part in overseas training in future, I recommend that you consider language learning simply as the starting point and decide beforehand on other areas that you wish to improve as well. In my own case, three months seemed like it would be a long time, but it ended up going by very fast, so I hope you will take full advantage of the time you have to learn and experience everything you want. If you approach overseas training with a desire to change as a person and a willingness to tackle new challenges, I'm sure that the experience will be a valuable asset in your life.