

Development of Human Resources

Fundamental Approach

As part of our aim to develop employees who are eager to learn and take on challenges, we are implementing initiatives based on the themes of a corporate culture that emphasizes learning, a workplace environment that fosters action, comfortable environments that are easy to work in, and satisfaction.

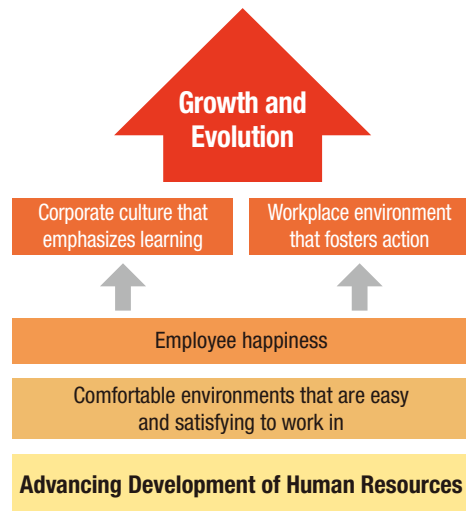


Image of new training center for employees

Corporate Culture that Emphasizes Learning, Workplace Environment that Fosters Action

Development of Human Resources is a major pillar of the corporate culture we are striving to build in the JR Kyushu Group. To ensure the sustainable growth of the JR Kyushu Group, each and every employee needs to learn and challenge themselves to achieve continuous growth and evolution.

It is also important for employees at all levels to be self-aware and conscious of the

knowledge and skills required in their daily work in order to make the JR Kyushu Group a strong organization.

The JR Kyushu Group has many systems for employees who are enthusiastic about growing and learning. We use these to help our employees learn and become the best they can be.

Our declaration: “Let’s learn! Let’s try!”

Our vision for our employees

In addition to dedicating themselves to our core principles of safety and service, employees must recognize that they are the foundation of sustainable growth of the JR Kyushu Group. Employees must never settle for how they are now—they must apply their experience and the things they have learned to bold new challenges and work to make the group even better in future.

Employees must be willing to learn and grow and give 100% to their learning

- Employees must give 100% to growing as an employee, either through our various training programs or through their own self-learning
- Employees must place importance on having the desire to learn and must dedicate themselves to improving their knowledge of our work

Employees must apply their knowledge and experience both to their own growth and evolution and that of the company

- Employees must apply their knowledge and experience to improving their service and contributing to the improvement of their workplace and the company as a whole
- Employees must involve themselves in instruction and training to pass on their techniques and skills to more junior employees and employees they are managing

Employees must place importance on working relationships and work to build a positive workplace and encourage other employees

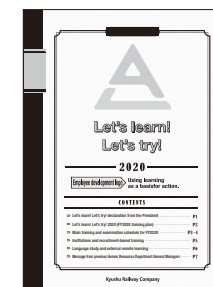
- Employees must actively communicate with their supervisors, colleagues, and employees they are managing during the course of their daily work, using internal systems as necessary, to create a transparent environment that is easy to work in
- Managers must apply the knowledge of health, harassment, etc. that they have gained through training and self-learning to build a good working environment

Basic Training Plan

Our basic training plan for the fiscal year ending March 2021 centers on the concept “Let’s learn! Let’s try!” to foster a mindset in which JR Kyushu Group employees understand our vision for our employees and work on their growth. We are working on further sharing human resources development initiatives among the JR Kyushu Group and taking them further.



Conduct Training Competition



“Let’s learn! Let’s try! 2020”

We issue a booklet describing the main points of our training plan and details of our employee training to disseminate this information to all employees.

Introduction Digest	Financial and Non- Financial Highlights	History of Value Creation Initiatives Value Creation Process	Message from the President Message from the CFO	Progress on Our Medium- Term Business Plan Feature	Materiality	Corporate Governance	Safety and Service Development of Human Resources	Local Community Invigoration Dialog with Stakeholders	Environmental Initiatives	Information on Segments Overview Financial Information Investor Information
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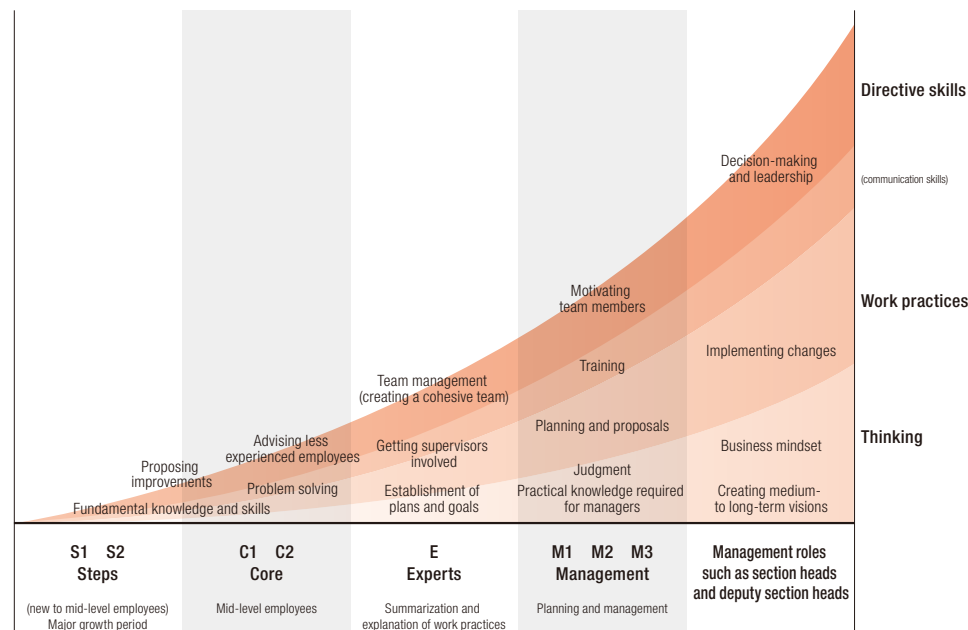
Development of Human Resources

Training for each position

We provide training aligned with each growth stage for various positions, such as training for new employees, training for employees who have been promoted, training for new

managers, and training for new frontline managers. In training by position, employees study topics such as mindsets, active communication, and management methods.

Knowledge and skills expected for each position



Self-learning program

We have a variety of programs to help employees develop the ability to think and act on their own initiative. These include internal and external remote learning, language study, and opportunities to study overseas or at Japanese universities and graduate schools to help each employee reach their goals. Our language study includes the JR Kyushu English

School, where employees can learn English via their home computers or smartphones. We also have self-learning systems such as one where employees who have obtained a new qualification can have the cost of the exam reimbursed by the company and award systems such as our Grand Prize for Learning, to recognize employees who have spent the year obtaining a qualification.

Main training systems in the fiscal year ending March 2021

Type	Employees	Details	Theme, etc. of training
Training for each position	New Executive Officers	Executive Officer training	Attendees learn the knowledge required to make investment judgments and points they need to be aware of as a member of the management team
	New managers	Training for new managers	Management mindsets, leadership, employee training, organization management
	New site managers	Training for people advancing to new management positions	Mindsets and roles of site managers, skills for strengthening organizations
	Employees advancing to their first management role (assistant manager, representative of section manager, etc.)	Training for employees' new role as managers	Practical knowledge required for employees' new role as managers; instruction and training of employees
	Employees promoted to E-rank positions	Training for employees promoted to E-rank positions	Mindsets for supervisory roles, the basics of team management
	Employees promoted to C-rank positions	Training for employees promoted to C-rank positions	Reflection and setting new goals, communication with more junior employees
	New employees	Training for new employees	Basic knowledge of railways and the fundamentals of the working world
Recruitment-based training	Managers	JR Kyushu Management School	Management mechanisms and principles; measures to increase the value of the company
	M3-rank employees	Globis courses	Marketing, fundamental management strategies, critical thinking
	M1- and M2-rank career track employees and employees who have completed leader training	Training for the next generation of managers	Problem solving, communication, fundamentals of finance, rapport building
	E-rank expert employees	Training for assistant management candidates	Motivation of employees, instruction based on personality type, delegation
	All employees	Future Creation Program HIRAMEKI	Employees learn the mindsets of management and create a future for themselves and the company
	Expert employees age 35 and under who have been with us for at least four years	Leader training	Employees learn the skills necessary to lead in future and improve on their strengths

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Development of Human Resources

JRK Activities

JRK activities are small-group activities that have been implemented since the founding of JR Kyushu. The content of these activities covers a wide range, including not only improving methods for advancing work and reducing costs but also increasing revenues, enhancing services, implementing local community invigoration initiatives, and promoting health. Decisions on these activities reflect consultation regarding the types of issues that people actually encounter on the front lines. In the fiscal year ended March 2020, a total of 5,214 JR Kyushu employees participated in 776 groups, and 12 teams from 12 companies participated at the JR Group company announcement. The employees shared stories about problems they had solved in their workplaces, and those who had carried out the best problem-solving activities received prizes. The event reflected the JR Kyushu activity slogan of “cheerful, fun, and energetic.”



Future Creation Program HIRAMEKI

From the fiscal year ended March 2019, we started the Future Creation Program HIRAMEKI as a representative initiative for our “workplace environment that fosters action.” This is a new business proposal system to which any JR Kyushu employee can submit ideas, regardless of their years of service at JR Kyushu or experience. A key feature of this system is that when an idea is proposed and adopted, the employee who made the proposal is assigned to the new business project. This is not a system where people make proposals and then let someone else implement them. Personnel reassignments are a part of the system, which fosters an eagerness to contribute directly to the realization of a new business idea.



Comfortable environments that are easy and satisfying to work in

JR Kyushu strives to ensure that our workplaces are safe, fulfilling, and enjoyable for all employees.

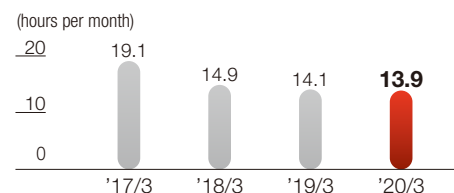
Health Management

JR Kyushu believes that health-related awareness and action on the part of every employee contribute to the health of the company. On that basis, we formulate a basic policy for health management each year. The slogan for the fiscal year ending March 2021 is “I will! Shifting from reactive to proactive health management”. We carry out a variety of activities to promote specific actions in which employees work more actively to improve their health. In addition, we have established a Health Management Office within the company. The office's activities include workplace visits and health consultations, with a central role played by industrial physicians and public health nurses. In these ways, we are working to support employee health management.

Progress in implementation of basic policy for health management in the fiscal year ended March 2020

	Target	Results
Employees who have received a medical checkup via Ningen Dock	50% or more	55.7%
Employees who have received a stress check	100%	99.9%

Average overtime



Prevention of overworking

To prevent overworking and promote a good work-life balance, as a general rule, employees must not do more than eight hours of overtime in one day, and overtime and working on non-work days must total less than 45 hours per month and 360 hours per year. Our main initiatives are as follows.

- Working hours are assessed through objective records using equipment such as an IC card
- Regular monitoring of overtime and work on non-work days
- Employees whose overtime and work on non-work days exceed 80 hours per month to meet with an industrial physician

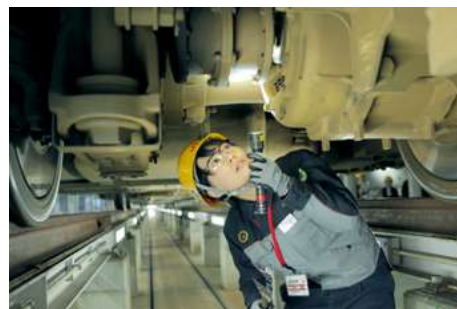
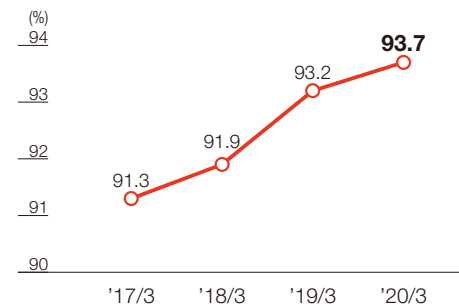
Building Systems that Support Diverse Working Styles

Changes in our management environment include a decreasing working population due to a declining birth rate and an aging population, as well as the diversification of values regarding working style. To respond flexibly to these changes, we have taken steps to establish systems that support diverse working styles. From the fiscal year ending March 2021, we have raised the maximum age to 70 for employees who wish to work past the age of 65. In particular, we are implementing initiatives to support the employees who are raising the next generation of children. We acquired the Kurumin mark (certification awarded to companies providing strong support for working parents) for all of our previous five action plans in 2007, 2009, 2012, 2015, and 2018.

Development of Human Resources

Creating workplaces where women will thrive

JR Kyushu has formulated an action plan for the promotion of women's participation and advancement in our company based on the Act on Promotion of Women's Participation and Advancement in the Workplace. During the period of the plan that extended from April 1, 2016 to April 1, 2019, we achieved our objective to raise our ratio of female managers to 6%. For the period of our current plan (April 1, 2019 to March 31, 2022), we have announced the objective of a retention rate of 95% or more for female employees. We are working to establish a workplace environment that facilitates the continual participation and advancement of women. In November 2019, we received grade 2 Eruboshi certification from the Ministry of Health, Labour and Welfare, recognizing our strong implementation of initiatives to promote the participation and advancement of women according to the Act on Promotion of Women's Participation and Advancement in the Workplace. We are building on this progress to create a working environment where women can continue their career and thrive at JR Kyushu. We are actively working to facilitate the participation and advancement of women so that all of our employees have something to aim for and a workplace that brings them fulfillment.

**Retention of Female Employees****Recruitment Principles and Activities at JR Kyushu**

Diversity is a priority in JR Kyushu's recruitment, and we use fair selection policies that do not discriminate by gender, nationality or any other facet of candidates' identity.

Recruitment policies that focus on diversity

Employees are selected fairly, regardless of religion, gender, age, sexuality, disability, nationality, or any other facet of their identity. We strive for diversity and welcome employees from all walks of life. We recruit employees of all ages, with and without experience. We welcome returnees from overseas universities, overseas students, and students with disabilities.

Employment of People with Disabilities

JR Kyushu is actively working to employ people with disabilities, and as of June 2020 the percentage of employees with disabilities was 2.74%. In addition, in April 2019 we established JR Kyushu Palette Work Inc. with the objective of employing people with disabilities. Moving forward, we will work to further expand employment of people with disabilities by creating an environment that is even easier to work in.

Internships

JR Kyushu offers internships to offer prospective employees a glimpse of our workplaces that cannot be seen at job fairs or on our website and allow them to experience what it's like to work here and what kind of employees succeed. Interns gain an in-depth understanding of our company, preventing situations where an employee is hired but discovers that JR Kyushu is a poor fit for them. Internships are also an opportunity for interns to learn new things and gain new insights, and provide a point of reference for job seekers' research on industries.



Development of Human Resources

TOPICS

Establishment of JR Kyushu Palette Work Inc.

In April 2019, the JR Kyushu Group established JR Kyushu Palette Work Inc. to further promote employment of people with disabilities. During the preparations, we identified the operations involved in running the company and conducted practical training during the hiring process. We applied to register JR Kyushu Palette Work Inc. as a special subsidiary. The company's main activities in the fiscal year ending March 2021 include sorting and delivering internal mail, rolling posters, setting up amenities for Seven Stars, printing business cards, and cleaning, and we plan to further expand operations in future. Six staff members with disabilities currently work for JR Kyushu Palette Work Inc.



Employee awareness survey

JR Kyushu conducts regular surveys to assess employees' awareness. The survey ascertains employees' awareness about their job and workplace. We analyze factors that influence employees' awareness according to their age and nature of their work and apply this data to future measures to invigorate our organization and improve employee satisfaction.

The results of our survey in the fiscal year ended March 2020 indicated that while our employees felt

optimistic about JR Kyushu's prospects for future growth, they felt that they were going through the motions in their work and their loyalty to the company was somewhat low.

We intend to respond to this by expanding our measures to praise various improvements in employees' daily work, improve management skills through management training and other position-specific training, hold discussion sessions in each department and branch, and revise our HR measures.

