



Human Resources Management

Human Resources in the JAL Group

Creating Workplaces Where Diverse Human Resources Can Participate.....	62
Changing Workstyles.....	64
Health Management.....	65
Promoting Diversity Including Promotion of Women's Careers.....	66
Practicing Diversity.....	68

Creating Workplaces Where Diverse Human Resources Can Participate

We are focused on developing human resources for the next generation that will practice the JAL Group Corporate Policy “to become the world’s most preferred and valued airline group” through action by every member of our staff.



Message

Takuya Oda
Executive Officer, Human Resources Management

Every JAL flight requires the efforts of many employees. We believe that the best way to provide customers with unparalleled service is by drawing on the energies of individuals in different roles to create an unbroken, integrated stream of strengths following a single path. Put simply, the power of our human resources is the origin of the JAL Group’s strength. To interact with customers with heartfelt hospitality requires not just improving knowledge, techniques and other day-to-day skills, but also a refinement of character. I believe my job is to help each employee grow into a more attractive human being.

The JAL Group has developed many systems and education programs to encourage employees to believe in their own potential, to challenge new fields boldly to deepen our experience, and thus to become active as true leaders. Based on our belief that mobilizing the strength of diverse human resources with different experiences, values and perspectives to constantly generate new value is the best business strategy for winning the intensifying competition, we have expanded opportunities for employees with abilities and motivation to be active beyond the limits of their original company and recruitment region, putting the merit system first.

We will maintain these strategies into the future, promoting diversity and changing workstyles, while also taking a serious interest in the health management of the employees gathered under the JAL Group banner to ensure their ability to exhibit their abilities at the highest level.

Creating workplaces promoting the engagement of diverse human resources

The JAL Group believes that promoting the active participation of diverse human resources is the wellspring of new corporate value creation, and we continue to pursue the diversity promotion initiatives listed below for this reason. Our aim is to be a company in which anyone can play an active role, regardless of gender, company of employment, nationality, age, sexual orientation, gender identity or disabilities.

Developing infrastructure that encourages action

To develop infrastructure that supports the participation of diverse human resources, we have constructed a common training program and a human resources database that is shared Group-wide. We specify the positions recognized as important for our business and management as Group Management (GM) posts with integrated remuneration and compensation. We have adopted the GM system for assigning highly motivated employees with strong potential to these positions, regardless of their original Group company.

Nurturing overseas staff

We have formulated a Global HR Policy and are focusing on developing staff who are hired overseas, building development programs including assignments to work in Japan, Japanese language training and global training.

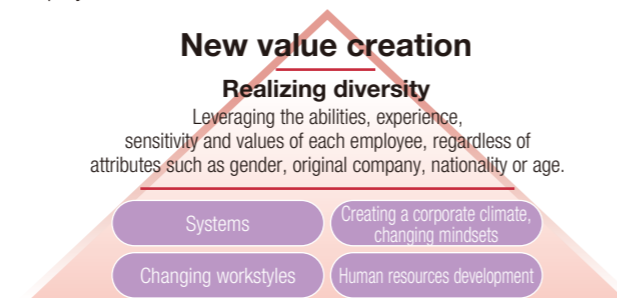
Promoting workstyle reform

In fiscal 2014, we established the Office for Promoting Workstyle Reform to change the mindsets of employees and develop infrastructure that enables everyone to build careers with a greater sense of satisfaction.

Promoting diversity

We set targets for promoting women’s careers in fiscal 2014 and are implementing specific measures to achieve them based on a clear management commitment. We set up a new Diversity Promotion Group in the Human Resources Management Division in April 2016 with the aim of further intensifying efforts to mobilize all employees. This organization is actively engaged in promoting employment of older people and increasing opportunities for participation by the disabled. Courses to increase understanding of LGBT people (sexual minorities) are helping to form a corporate climate that recognizes diverse values, creates open workplaces and revitalizes organizations.

We will continue these efforts to establish a corporate climate to create new values, leveraging the rich diversity of JAL Group employees.



Exchange of opinions in the JAL Nadeshiko Lab



Skill Upgrade Workshop for changing workstyles



Joint education course for new employees

A common education and development program of the JAL Group

In addition to conducting education and training by job category and Group company, the JAL Group has created a common education and training program for the entire Group that focuses on developing leaders and safety and service professionals.

New employee education

Education for new recruits initiated immediately after they join the company covers the foundations of the JAL Group, including the JAL Philosophy, safety and the corporate brand. A four-day new employee training course held in Tokyo from April 1, 2016 was attended by more than 1,100 employees from 32 Group companies with senior colleagues serving as instructors. Because the course brought several Group companies together, the trainees split into teams. This annual course lays the groundwork for cultivating a sense of oneness of the JAL Group as a whole.

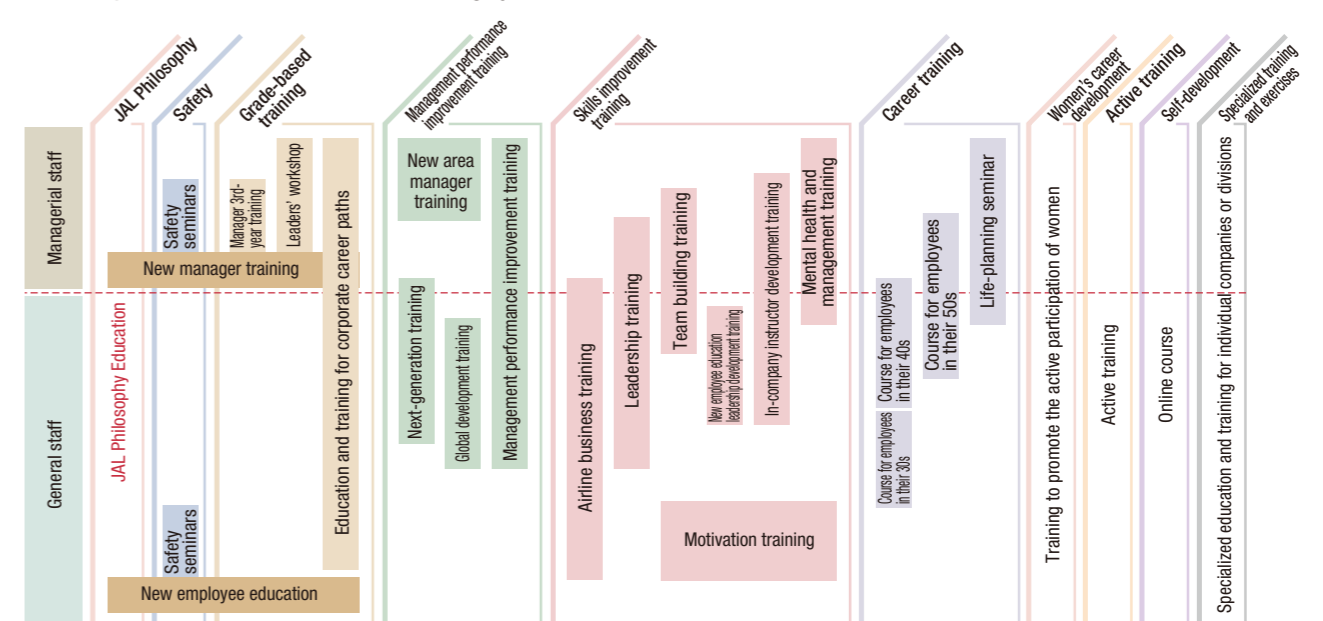
JAL Group’s fundamental education and training systems

Each JAL Group company and division has formulated its own carefully structured education and training system to prepare employees to provide unparalleled service to customers.

Education and training are generally systematized as employment grade-based training, management skills improvement training, skills improvement training, career training, women’s career development, active training and self-development (online course). Each course or educational activity adopts a cross-departmental style to encourage trainees to deepen bonds with co-workers and gain a higher level of motivation toward work. The management skills improvement training, in particular, further cultivates their business skills to include skills supporting logical, effective problem-solving as well as knowledge and techniques for facilitation (running meetings). Three new types of training focusing on logical thinking and problem-solving, facilitation and marketing fundamentals have been established and made accessible to any interested member of the JAL Group in order to foster understanding of the essential elements of marketing.

We will continue to enhance the quality of our programs and maximize their effectiveness, centered on the JAL Education and Training Center. We will work even harder to develop human resources who embody the JAL Philosophy and realize the JAL Group Corporate Policy.

JAL Group fundamental education and training system



Changing Workstyles

We are striving to develop a workplace environment where every employee can be active and exhibit their best abilities and individual attributes.



Employing free-address offices and layout variations to realize workstyles independent of location

Seeking workstyle reform

As we feel it is essential to develop an environment where every employee can work with ease and display their abilities, the JAL Group has been making concerted efforts to change workstyles since fiscal 2015.

All our employees are motivated to work and are improving labor productivity. The extra time gained is used to promote a work-life balance for fuller lives, both public and private, and encouraging self-development and healthier lifestyles. When employees put their experiences and learning back into their work, new value is created which contributes to growth of the company as a whole. The JAL Group is pursuing the following initiatives aimed at increasing labor productivity through this synergy of life and work.



Aiming to create new value

The Procurement Division, which pioneered workstyle reform, has created an environment for working independently of location and made working easier for non-Japanese employees and employees with work hour restrictions to care for children or elderly family members. It also makes use of time saved through improved productivity to conduct procurement education for developing human resources internally.

Programs are provided to educate employees in necessary business skills, thus helping them improve their skills. These efforts will ensure that employees will continue to apply knowledge and experience gained inside and outside the company to create diverse values free from restrictions imposed by existing frameworks, thus helping the company grow as an airline capable of providing products and services to meet diverse customer needs.

■ Concrete initiatives

(1) Startup workshops

One internal division served as a pioneer for the rest of the company by introducing an IT tool in fiscal 2014 that transformed its attendance management rules and sought to realize a paperless, free-address office. This resulted in a substantial reduction in overtime work compared with the previous year. Subsequent steps saw awareness rise companywide from July 2015. Workshops were held for about 4,000 employees in all JAL Group back office divisions, with colleagues from the pioneering division serving as instructors to relate their experiences, the aims of the initiatives and planning required, and the specific skills needed to improve operational efficiency.

(2) Operational rules and visibility

To construct systems that permit employees to work with an awareness of operational efficiency and hourly productivity, new rules were established companywide for holding meetings, using phones and email, and work completion times. Report meetings on attendance performance were also set up to enable division heads to analyze their division's issues and report on countermeasures. A corporate climate ensuring timely completion of work will be put in place, enhancing the visibility of attendance issues in various divisions, such as overtime work and the use of paid leave, and sharing information such as original innovations or initiatives by the divisions.

(3) IT tools and office facilities

We have revamped our infrastructure to enable employees to work independently of location. We have already invested in IT equipment, introducing tablets in the Flight Operations and Cabin Attendant divisions and mobile phones and other mobile devices in administrative divisions, and installing VDI (virtual desktops). We are improving operational efficiency by such means as converting documents into digital data, sharing internal information and revising approval authorization standards. We are also revising our teleworking systems and upgrading their operation regularly to make them easier for employees to use.

Our intention is to continue laying foundations for further workstyle reforms, to create an environment where everyone is equally active and promote true diversity.

Health Management

The JAL Group promotes health management to ensure that its human resources – our most important asset – can fulfill their duties in good health (both mental and physical) and with a sense of security, enabling us to provide customers with unparalleled services.

“Pursuing the material and intellectual growth of all our employees” requires that they be healthy.

The physical and mental health of all JAL Group employees is indispensable in order to “pursue the material and intellectual growth of all its employees” and to “become the world's most preferred and valued airline group.” The health of our employees and their family members is, as pointed out in the President's message, an irreplaceable corporate asset. In this belief, we established the JAL Wellness 2016 health promotion project to support efforts by our employees, companies and the Japan Airlines Health Insurance Association to work together to improve employee health.

The aim of this project is to tackle the key issues of (1) lifestyle-related diseases, (2) cancer and (3) mental health based on medical cost analyses and other tools, raise awareness among all employees and their family members concerning self-health care, which involves adopting proper lifestyle habits, acquiring the ability to monitor their own health status through regular health and cancer checkups, and assessing their own stress levels and finding ways to deal with them.

To enhance health awareness, an interactive booklet titled “JAL Wellness 2016 My Book” containing resolutions based on health issues and the results of personal and family health checkups is distributed to all current and former JAL Group employees.

The project centers on a five-year plan, under which the Policy Review Council and Evaluation Council, formed under the auspices of the main Group companies and the Japan Airlines Health Insurance Association, will deliberate the nature of its policies and their implementation each year. The results are reflected in activities of the following fiscal year, and a report on the status of progress is presented to the Board of Directors.

■ Follow-up by medical experts

In addition to regular medical checkups, careful follow-up procedures are conducted by medical experts such as professional occupational physicians, public health nurses, clinical psychiatrists, pharmacists and fitness trainers according to the needs

of the various occupational categories.

To assure flight safety and provide unparalleled service across different time zones and in a cabin environment with low air pressure and dry air, in particular, our full-time in-house psychiatrists and physicians provide all our flight operation crews (approximately 2,000 persons) with both the legally required health examinations for air travel and early health advice through interviews. Specialized trainers lead our (approximately 5,000) cabin attendants in stretching exercises before and after boarding. Videos of the stretching exercises are installed in tablets issued to all cabin attendants to help them practice them at home or in their travel accommodations, assuring that they will be in excellent condition for their next flight.

■ Workplace health promotion activities conducted by Wellness leaders

More than 130 Wellness leaders have been appointed in our offices throughout Japan to promote better health in the workplace. They conduct wellness activities to raise awareness of health and encourage behavioral changes.

Their main activities are holding health seminars and walking events at individual workplaces, planning and organizing sports festivals and conducting visits nationwide to examine personnel using body composition monitors. The activities are designed to be enjoyable and easy to continue in order to help prevent lifestyle-related diseases. The Company and the Japan Airlines Health Insurance Association also encourage the use of stairs, napping and the closure of smoking areas at headquarters to support



Stretching lesson conducted before boarding.

employee health.

(1,700 employees participated in these activities in fiscal 2015.)

■ Results of the activities

Through these activities, medical costs paid per JAL employee or family member is on average 20% lower in each age group as compared with the national average (for people under 60).

JAL has been honored with the Health & Productivity Stock Selection for two consecutive years, and the Japan Airlines Health Insurance Association also received a commendation from the Ministry of Education, Culture, Sports, Science and Technology.

JAL was selected as Health & Productivity Stock 2016 for the second consecutive year by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange. (14 of the 25 companies selected are repeat selections). The JAL Group's concerted efforts toward health management were also recognized in the selection of the Japan Airlines Health Insurance Association for commendation as a Health and Fitness Promoting Organization by the Ministry of Education, Culture, Sports, Science and Technology in fiscal 2015.

2016
健康経営銘柄



Promoting Diversity Including Promotion of Women's Careers

A JAL that shines with the diversity of its human resources

The JAL Group is promoting diversity with the aim of establishing itself as a company which promotes the participation of diverse human resources including women. As efforts aimed at changing workstyles and raising awareness among all our employees, we have set a target of raising the ratio of women in management in the JAL Group from 15.6% (as of March 31, 2016) to 20% by fiscal 2023 year-end.

JAL efforts

■ Infrastructure provision

- (1) Employees are permitted up to three years of childcare leave. In fiscal 2015, 782 employees (780 women and two men) took childcare leave. The reemployment rate after childcare leave was 71.3% (100% for operational planning positions and 70% for cabin attendant positions). The timing of the return to work can be adjusted according to the individual's circumstances.
- (2) JAL programs responding to employee childcare responsibilities include exemption from late night duty and shortened working hours, from which many employees are benefiting.
- (3) Employees can use subsidies and services for temporary childcare, monthly childcare, rented childcare items and housekeeping services.
- (4) New leave systems introduced in fiscal 2016 include leaves for spouse transfers and leaves for fertility treatment. These systems permit employees to continue working in step with their life stages. In April 2016, we eliminated the contract system for cabin attendants, giving our current contract employees regular employee status and hiring all new cabin attendants as regular employees from April 2016.
- (5) The nursing care leave system has been expanded to support employees who provide nursing care by, for example, enabling them to make free use of the special purpose cumulative leave system (for accumulating untaken paid holidays) for nursing care.

■ Reinforcing human resources cultivation and corporate culture development

Committed to placing the right talent in the right job and employing the merit system, we are placing increasing numbers of women in divisions that have had few female employees in the past. This is the third year in which cabin attendants have been assigned overseas as part of a program to give motivated employees overseas and other assignments in which they can gain experience and build their careers. Training for women employees

also continues as part of efforts to further their careers.

Striving to cultivate a corporate culture that encourages further growth of human resources, we have included human resources development for women and other employees in performance evaluations for management posts, and interviews with management personnel and the Human Resources Division for lower-ranking female employees aged 35 or younger.

Efforts by the JAL Group

■ Establishment of the JAL Nadeshiko Lab

The JAL Nadeshiko Lab was established in November 2015 as a cross-functional team under the direct control of the President. The Nadeshiko Lab engages in changing workstyles, as well as in raising awareness among employees, through two mainstay Group projects concerned with leveraging efforts toward women's career promotion throughout the JAL Group. The Nadeshiko Lab is laying plans for further research aimed at realizing a work environment where diverse human resources can participate actively. Others



activities of the JAL Nadeshiko Lab include organizing lunches that are open to any JAL Group employee to create communities as well as forums and other functions offering a chance to hear the ideas and opinions of top management or invited lecturers. In these ways, it promotes deeper understanding of diversity and increases motivation among employees to continue working.

*All 43 JAL Group companies have formulated action plans following the enforcement of the Act Concerning Promotion of Women's Career Activities, including companies with fewer than 300 employees to which the act does not apply.

■ Training for female employees

Mama Cafe: training designed to contribute to networking among employees who have come back to the company after childcare leave.



Customer Value Creation Project: training deploying the unique perspectives and experience of women to generate value in products and services that will encourage customers to choose them. The project is helping to develop the abilities of JAL's female employees.

Japan Airlines has been certified with the "Kurumin" mark as a company that supports the next generation of children.



Successive selection for the Nadeshiko Brand list

JAL was selected in both fiscal 2014 and fiscal 2015 for inclusion in the Nadeshiko Brand list of enterprises pursuing diversity management by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. The list recognizes companies for positioning the career development of diverse human resources including women as a key management strategy for surviving intensifying competition and engaging in various activities. The JAL Group will continue its concerted efforts to become a company that offers career opportunities for diverse human resources.



Expanding opportunities for active participation by employees with disabilities

A new concept calling for "increasing diversity in an environment where disabilities are not hindrances and continuing to create new value" was added to the corporate policy of JAL Sunlight in the current fiscal year. SKY CAFÉ Kilatto newly opened for JAL Group employees on the third floor of the Haneda Aircraft Maintenance Center on February 15, 2016.

Kilatto is operated primarily by employees with minor mental disabilities. The name incorporates the hope that the café will be a place where the individuality and character of employees will shine like stars. The staff prepare every cup of coffee or tea among the sixteen varieties on the menu with meticulous care and operate the cash registers, receiving payments and returning change with smiles and cheerful voices reflecting an "always positive and happy" attitude.

Employees with mental disabilities are also employed serving tea to visitors in the reception space on the fourteenth floor of our Tennozu Headquarters.



Efforts for the LGBT community

The JAL Group seeks to promote career opportunities for diverse human resources, including women, persons with disabilities, and employees who wish to continue employment beyond the mandatory retirement age. A message from President Ueki to employees titled "What We Must Do to Further Promote the Career Success of Diverse Human Resources" in March this year also touched upon promotion of understanding of the LGBT community.

Efforts will continue to further a proper awareness and understanding of LGBT people among our management executives and all JAL Group employees through e-learning and other approaches.

*LGBT, which stands for lesbian, gay, bisexual and transgender, serves as a general term for all sexual minorities.



Message

Junko Okawa

Director, Senior Managing Executive Officer, Director, Communication Division

Since fiscal 2014, the JAL Group has positioned promotion of career success by members of our diverse workforce as one of our business strategies, and has reinforced its development and support systems to enable a variety of human resources including women to exhibit their capabilities actively.

One major step toward making our company one in which women truly play a leading role is the JAL Nadeshiko Lab, which opened in November 2015. This lab is central to our efforts to improve our corporate value by promoting women's careers.

Raising awareness and changing workstyles are two key phrases in psychological and functional terms for promoting women's careers. I can understand this from my own experience. I spent many years in the Cabin Attendants Division, building my career while deciding when to take leave and when to work as I encountered various events in my personal life. To facilitate creation of workplaces that give others the opportunity to have the same kind of experience, we must first develop an environment which raises awareness to enable the sensitivity, abilities and experiences of each individual, whether male or female, to be fully optimized. This will open up many possibilities that women had to forego in the past, spur the growth and development of women, and create new values for the JAL Group. Promoting women's careers does not entail giving women preferential treatment, but rather enabling them to work longer and truly to build their own careers.

The JAL Group is founded on the JAL Philosophy imbued in all our employees. It is precisely for this reason that our employees can consistently enjoy progressive careers. We will continue to promote resolute efforts, based on this foundation, to ensure that not only women but all members of our diverse workforce can display their individuality to strengthen the JAL Group by serving as a source of competitive power and raising our corporate value.

Practicing Diversity

A wide variety of human resources are active in the JAL Group, irrespective of nationality or gender. We take the utmost care to make it easy for anyone to work and to show their talents in our workplaces.



Rosang Zual
Inner Branding Group, Corporate Brand Promotion Department, Communications Division, Japan Airlines

Editing the English edition of the in-house magazine to share information with non-Japanese JAL Group employees

When I was a student, I desperately wanted to work in the airline business. I found a job in JAL's Yangon branch in my native Myanmar and later worked in ticketing and sales support in the Singapore branch. I came to Japan two years ago. A senior colleague at the time told me about job possibilities in Japan and assured me, "You can do it," convincing me to take the chance. For the past year, I have been editing the English version of our in-house magazine, *Route*, along with two Japanese colleagues. Wishing to share business information and news from branches around the world with our colleagues worldwide, we changed it from a bimonthly to a monthly publication. This makes us busier, but I'm happy that my suggestion to make this change was accepted. I also write unique articles for the English edition about Japanese culture and about our staff outside Japan. Japanese is still difficult for me, but people listen to my opinions during meetings. There are many other staff from outside Japan in the company, and gathering together people from different cultures is helping to change all our ways of thinking. I believe this is the real meaning of diversity.

An environment that permits both men and to women take childcare and other types of leave, and to do our best as individuals while mutually supporting each other

Our job is to negotiate with international airports and airlines in different countries to plan flight routes and arrival and departure times. We hold telephone conferences with the U.S. from 8:00 in the morning and with the UK from 8:00 in the evening, and we also travel abroad frequently for face-to-face meetings. In recent years, there have been more female employees posted to each group. Women in our group take charge of developing flight schedules and managing arrival and departure slots, and serve as top JAL representatives at conferences bringing together international airlines several times a year. We have many employees with small children, so we support them by making it as easy as possible to use our internal systems to arrange childcare leave, paid holidays, changes in working hours by applying by the previous day and other schedule adjustments. Our work environment allows fathers with sick children to take time off as necessary, and one male employee whose wife is from another country was permitted to take a month's leave recently to be present at the birth of their child overseas. The people on my staff have different family situations and varying personalities. I believe it is my responsibility as group head to bring the organization together so that each individual's personality can shine based on a foundation of mutual consideration.



Kenichiro Naito
Group Head, International Network Planning Group, Network Planning Department, Network Marketing Division, Japan Airlines

Multiple opportunities to take our careers up to the next level precisely because we have workplaces with a majority of women

JAL NAVIA is the primary contact center for the JAL Group. Our employees are 97.5% women, and our management is 90.0% women as well. As head of the Osaka Center, I am simultaneously responsible for managing the business and educating our staff, while also participating in the overall company operations. I started my career as a cabin attendant. My first experience in a different type of job was in the Labor Services Department. I was appointed to my current position in 2013 after serving as head of the Kansai Airport branch of Japan Asia Airways, the JAL Osaka Airport Cabin Attendants Office and the Narita Cabin Attendants Department. The many opportunities I have been given along the way have brought me to this point. It is not unusual these days for employees to build careers beyond their original positions in much the same way. In addition to childcare leave and child nursing leave, we established a system at JAL NAVIA that enables employees to choose four-hour shifts until their children enter elementary school, and that allows both male and female employees who leave the company to return to their original position within a seven-year period.

We also established Nadeshiko Navia in fiscal 2016 as part of our activities aimed at assuring a work-life balance. We will continue our efforts to create a workplace environment which enables women to play vital roles and shine. We have a target of doubling the number of women in management positions, such as director, general manager or above, by fiscal 2018. I certainly hope that working women will never let their opportunities slip away, but will continue to aspire to step up to the next level.



Kyoko Furuta
Osaka Center Head and Executive Officer, JAL NAVIA Co., Ltd.



Kenta Oyagi
JAL Engineering Co., Ltd.
Foreman, Team No. 6, Cabin Maintenance Section, Cabin Electronics Maintenance Office, Flight Inspections and Maintenance Department, Narita Aircraft Maintenance Center

I took childcare leave when both my children were born. This is a work environment that gives me the time I need for both my family and my job.

I work in aircraft cabin maintenance. We handle all the equipment customers can see and touch, including the seats, lights, air conditioning, entertainment systems and restrooms. Our work involves both short but intensive bursts between landing and takeoff, and full maintenance and overhauls conducted over several days. We work in shifts including night shifts, which means I can be home during the daytime. Right from the start of my marriage with my working wife, we shared the housework, and I took a month of childcare leave for the births of both my son and daughter. It puts stress on the family when I'm studying to pass exams for the qualifications required for maintenance work, so I have tried to make up for those times by doing housework and looking after the children during my childcare leaves. It is not only wonderful that we have these systems, but also that people are encouraged to actually use them. Many other male employees have followed me in taking childcare leave, and we all work together to cover for each other as a matter of course. We can work all the harder precisely because we have spent a good deal of time with our families. This JAL corporate climate that permits us to make active use of these systems to balance our work and family responsibilities is something that will always remain close to our hearts.

I achieved my dream of a career outside Japan. After I married, I came alone to work in Helsinki.

I wanted to work in a JAL branch overseas as part of my personal career development. Currently I work at Helsinki Airport managing arrangements between our locally contracted ground handling company and JAL Headquarters. Our customers come from various parts of Europe as well as from Japan. They have different cultures and varied preferences. I always try to provide sincere service that blends the way the Finnish people want to be treated with JAL's own concept of hospitality. Actually, the offer to come to Helsinki coincided with my marriage. I was unsure what to do, but my husband was extremely supportive, so I decided to take the offer. Every day I feel fulfilled to be doing the work I wanted to do. I enjoy a good balance of work and time off, and a positive working environment for both men and women. I'm also grateful for the understanding I receive when I return to Japan on leave. At JAL, it's not at all difficult for women to work in other countries. I hope that what I accomplish here will pave the way for my junior colleagues to follow.



Aiko Hirano
Assistant Manager, Passenger Section, Helsinki Vantaa Airport, Japan Airlines