Human Capital Development

Diversity and Inclusion

Diversity and Inclusion as the Wellspring of Our Innovation

Diversity is the wellspring of our innovation and our growth engine. Hitachi regards personal differences—gender, nationality, work history, age, sexual orientation, and philosophy—as facets of people's individuality. By respecting our employees' individualities and positioning them as an advantage, Hitachi frames its diversity and inclusion as conducive to both the individual's and the company's sustainable growth.

We have currently positioned and are promoting diversity management as a management strategy under the initiative slogan "Diversity for the Next 100." Specifically, this means promoting the creation of environments in which women and other members of our diverse human workforce are able to demonstrate their skills to the fullest extent in leadership and business management positions. Hitachi, Ltd. and 17 Group companies jointly operate the Advisory Committee and the Diversity Development Council to accelerate awareness across Hitachi as a whole, including support for diverse human resources and work-life management.

Developing Women's Careers

Hitachi, Ltd. has created two key performance indicators (KPIs) to enable as many female employees as possible to take up leadership positions and to participate in management decision making. In fiscal 2013, Hitachi set a goal of promoting women to executive positions by fiscal 2015. In April 2015, the company appointed its first female corporate officer, a position equivalent to the executive level. Aiming to create diverse views and values to be reflected in our management, in fiscal 2017 we publicly announced our commitment to increasing the rate of female executive and corporate officers to 10% by fiscal 2020.* With regard to the ongoing promotion of women to managerial positions, we are aiming to double, compared with fiscal 2012, the number of female managers to 800 by fiscal 2020.

In addition to reinforcing existing programs, we are introducing the Hitachi Group Women's Career Success Survey to visually highlight the level of progress made with the initiatives and any outstanding issues in each business unit while setting numerical targets for each unit. These

efforts demonstrate our commitment both internally and to the world to further advance women in the workplace and improve our diversity management.
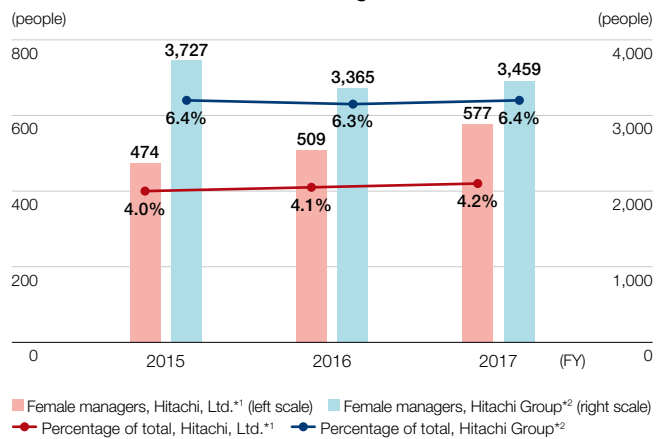
* As another goal, Hitachi aims to achieve a 10% ratio of non-Japanese executive and corporate officers by fiscal 2020

SDG focus

Finding solutions to customer and social issues, which are becoming more diverse and complex, requires the bringing together of human capital that possesses diverse values. Hitachi is engaged in maintaining working environments that enable the diverse members of its workforce to demonstrate their abilities.

Number and Ratio of Female Managers

Female managers, Hitachi, Ltd.*1 (left scale)   Female managers, Hitachi Group*2 (right scale)
Percentage of total, Hitachi, Ltd.*1   Percentage of total, Hitachi Group*2

Note: Figures include section chiefs and above.
*1 "Female managers" in fiscal 2017 include managerial employees dispatched from Hitachi, Ltd. to non-Group companies and those accepted from non-Group companies by Hitachi, Ltd. Earlier figures include regular managerial employees dispatched to non-Group companies but exclude those accepted from non-Group companies.
*2 All full-time, regular female managers excluding those dispatched to non-Group companies. Figures for fiscal 2016 were restated following a reexamination of HR data.

Ratios for Female and Non-Japanese Executive and Corporate Officers (Hitachi, Ltd.)

	June 2017	June 2018
Number of female executive and corporate officers	2	2
Ratio of female executive and corporate officers	2.4%	2.6%
Number of non-Japanese executive and corporate officers	3	5
Ratio of non-Japanese executive and corporate officers	3.7%	6.4%

Global Human Capital and New Generation Development

Advancing Global Human Capital

Our Group-wide global human capital management strategy optimizes both human resources and organizational performance in pursuit of our goal of becoming an Innovation Partner for the IoT Era.

One part of that strategy has involved the building of a Global Human Capital Database, which enables us to fully ascertain the status of worldwide Group human capital

and to assess macro management data, such as the allocation of human resources. We have also introduced the Hitachi Global Grade system that applies to all managers in the Hitachi Group worldwide, using it as a common platform for job applications throughout the Group and as a common standard for assessing the value of management duties. In addition, we introduced Global Performance Management at Hitachi, Ltd. and at some Group companies

worldwide to link the individual and operational business goals, with the aim of promoting mutual sustained improvement and the growth of both individuals and businesses.

We are also working on talent development initiatives to drive global business growth. For example, in fiscal 2015 we implemented "Hitachi University," a Group global common learning management system.

With regard to Hitachi Insights, the global employee survey that Hitachi conducts every year, we were able to receive roughly 170,000 responses from the around 200,000 employees who were sent the fifth survey in September 2017, and the overall evaluation resulted in an improvement for the fourth consecutive year.

Occupational Health and Safety

Framework for Promoting Health and Safety

Ensuring the health and safety of all employees is the basic principle underlining the Hitachi Group Health and Safety Policy. This policy is shared by all Hitachi Group companies around the world. Employees work together to create safe, secure work environments that aim to be accident-free.

Manufacturing and maintenance, the areas of business in which Hitachi is engaged, are particularly accident-prone lines of work, and we have around 34,000 employees performing work of this type in Japan. We promote a range of Group-wide occupational health and safety activities that include preventing workplace accidents by setting and applying minimum safety standards to be observed by Group manufacturers around the globe.

In Japan, a health and safety commission—composed of company representatives, labor-union officials, and employees—is convened every month. We have introduced the Hitachi Group Key Safety Management Designation System, under which initiative Group companies and business sites where serious work accidents have occurred are designated as priority safety management companies and business sites. Here, the potential for accidents is reduced by reviewing risk assessments, including the investigations of accident causes, and third parties are engaged to conduct safety issue diagnoses. In fiscal 2017, we recorded zero fatal workplace accidents in Japan and five in the rest of Asia.

In December 2015, revisions to Japan's Industrial Safety and Health Act took effect, requiring businesses of 50 or more employees to put in place a stress-check system. We are proactively implementing stress checks at all business sites in Japan—even those employing fewer than 50 employees, are required to make efforts toward compliance—to promote awareness of stress among all employees. Group analysis results from these stress checks will also be used by workplace health and safety committee members, occupational healthcare workers,

New Generation Development

Applying science and technology, the Hitachi Group and the Hitachi Global Foundation carry out science, technology, engineering, and mathematics (STEM) education, depending on the issues in local communities, to develop a new generation of human capital capable of addressing social challenges.

SDG focus

For Hitachi, employees are an important entity underpinning the Company's future and, at the same time, a driving force contributing to the achievement of the SDGs and realizing social change.

and human resource departments to improve workplace environments. In combination, these efforts are expected to help prevent mental health issues and revitalize workplaces. Hitachi's efforts in this area were recognized under the 2018 Certified Health and Productivity Management Organization Recognition Program, conducted by Japan's Ministry of Economy, Trade and Industry, in the large enterprise category (White 500).

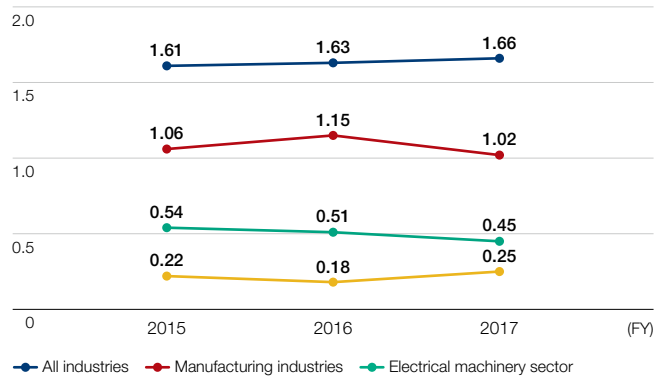Hitachi Group Health and Safety Policy:
https://www.hitachi.com/sustainability/download/pdf/en_sustainability2018_19.pdf

SDG focus

We are primarily addressing SDGs in the recognition that it is indispensable for business management to develop environments in which the people working in the Hitachi Group can work safely and without anxiety about physical and mental health.

Occupational Accident Rates

	2015	2016	2017
All industries	1.61	1.63	1.66
Manufacturing industries	1.06	1.15	1.02
Electrical machinery sector	0.54	0.51	0.45
Hitachi Group*	0.22	0.18	0.25

(FY)

→ All industries → Manufacturing industries → Electrical machinery sector
→ Hitachi Group*

* Occupational accidents are defined as those involving fatality or work-time loss of one day or more. Hitachi Group figures for Japan, including Hitachi, Ltd., are for 240 Group companies in fiscal 2015; for 200 Group companies in fiscal 2016; and for 201 Group companies in fiscal 2017.