Diversity and Inclusion

Hitachi's Approach

The globalization of markets and labor environments has increased the diversity of our stakeholders, as is evident from aspects like the product and service needs of our customers and the shifting work values of our employees. With strong commitment by senior managers, we are promoting diversity-oriented measures as a management strategy across Hitachi as part of efforts to boost our competitiveness and secure talented employees to respond to this growing stakeholder diversity.

We aim to enhance our diversity and inclusion, for instance by introducing key performance indicators (KPIs) to advance women in the workplace, and to create a management system that takes full advantage of the skills of each member of our multifaceted workforce.

Our Actions in Fiscal 2014

Entering the third stage of our diversity management roadmap, we have broadened the scope to include gender, age, nationality, disabilities, and lesbian, gay, bisexual, and transgender (LGBT) status. With regard to promoting women in the workforce, we are engaged in direct dialogue with female employees as part of efforts to fulfill our dual KPIs of appointing female executives and increasing the number of female managers in Japan to 1,000. We are also pursuing time- and location-free work as part of efforts to promote work-life management, while also advancing policies to reduce long overtime work hours. The Hitachi Group is working hard to employ people with disabilities, holding special hiring fairs and study meetings for Group companies to share information.

- Support for career advancement of women through such efforts as the Hitachi Group Women Leaders’ Meeting and Hitachi Group Career Seminar for Young Women; achievement of a ratio of 3.7% of Hitachi, Ltd.’s management positions filled by women.
- Promotion of time- and location-free work, such as by establishing satellite offices and simplifying work-from-home procedures, as part of efforts to improve work-life management.
- Employment ratio of people with disabilities of 2.03% (as of June 2014), topping Japan’s legally mandated ratio.

Diversity Management

Diversity Statement

Diversity is the wellspring of our innovation and our growth engine. Hitachi regards personal differences—namely, 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. With strong teamwork and broad experience in the global market, we will meet our customers’ needs.
Since the 1990s, we have been at the social forefront, supporting women and other members of our multifaceted workforce. This includes setting up systems to help balance work with child and nursing care. Entering the third stage of our diversity management roadmap, we are embracing diversity as a management strategy under the initiative slogan “Diversity for the Next 100.” This means creating an environment where women and other members of our varied workforce can use their skills in leadership and business management.

**Diversity Management Initiative: “Diversity for the Next 100”**

**Roadmap for Developing Diversity Management**

*1 The Gender-Free and Family-Friendly (FF) Plan is an initiative to create a better work environment by supporting efforts to balance work and family life and supporting women in the workplace.
Expanding the Scope of Diversity Management

- **Step 1** Integration
- **Step 2** Legal Compliance
- **Step 3** Respect for Diversity
- **Step 4** Competitive Advantage

**Widening Scope of Diversity**
- **Gender, etc.**
  - Men and women, family composition, marital status
- **Age**
  - Senior, middle-aged, young
- **Disabilities**
  - Physical, intellectual, mental disability
- **Nationality, etc.**
  - Nationality, race, ethnicity, language
- **LGBT**
  - Lesbian, gay, bisexual, transgender status

**Deepening Diversity Management**

The Diversity Promotion Project, launched in fiscal 2006 under the president’s direct control, was replaced in fiscal 2009 with the Diversity & Inclusion Development Center, which currently operates under the direct supervision of the Human Capital Group. Hitachi, Ltd. and 20 Group companies jointly operate the Advisory Committee and the Diversity Development Council to accelerate awareness across Hitachi as a whole. The Advisory Committee ensures follow-through on our diversity management policy, while the Diversity Development Council discusses specific activities and shares best practices. Both meet every six months.

Group companies and business groups/sites have also set up their own projects to become organizations that develop the role of women in the workplace and that implement and enhance initiatives geared to the challenges faced by individual workplaces. We also hold regular meetings to exchange opinions on diversity with labor unions.

**Hitachi Group Diversity Structure**

- **Advisory Committee:**
  - Chief Human Resource Officer (CHRO)
  - Executive officers and general managers in charge of personnel affairs and labor administration in Group companies
  - General managers in charge of personnel affairs and labor administration in-house companies

- **Hitachi Group Diversity Development Council**
  - Managers in charge of personnel affairs and labor administration in Group companies, in-house companies, and business groups/sites

- **Advancing women in workplace projects in companies and business groups/sites**
  - 50 projects in total

**Diversity & Inclusion Development Center**
- Dedicated organization
- Human Capital Group

Diversity Workshops and Management Training

Since fiscal 2010, Hitachi’s unique diversity workshops have been using the World Café approach*1 to bring together employees, including senior executives and young employees, to freely exchange opinions on diversity and work-life management.

It is necessary for the workplace as a whole to develop a better understanding of diversity and put work-life management into practice. Changing the mindsets of managers is a particularly critical task. Our diversity workshop approach gives managers the opportunity to reflect on their management styles and consider how to optimize their employees’ potential to achieve top results for the organization as a whole.

Since fiscal 2013, in-house companies and Group companies have been using a workshop handbook created in-house to hold their own workshops, raising the awareness of individuals, and reform the work environment.

*1 World Café: An approach to discussion bringing participants together in a forum for open, creative talks, allowing them to share situations and cultural insight across organizations or communities to create new knowledge.

Developing Women’s Careers

Hitachi has created two key performance indicators (KPIs), announced externally in fiscal 2013, to enable as many female employees as possible to take up leadership positions and to participate in management decision making. These KPIs signal our commitment both internally and to the world to further advance women in the workplace and to improve our diversity management.

In addition to reinforcing existing programs, we will use the Hitachi Group Women’s Career Success Survey to highlight progress with new initiatives and outstanding issues in each business unit and to set numerical targets for each unit, strengthening our management commitment. We will also boost women’s individual ambitions and morale through programs such as the Hitachi Group Women Leaders’ Meeting, which targets female employees at the general manager level and above. We intend to create an environment where as many women as possible are able to optimize their potential in management positions.

Goals for Hitachi, Ltd. (KPIs)

- Appoint female executives by fiscal 2015 by promoting from within. (The CSR and Environmental Strategy Division chief appointed as a corporate officer in April 2015).
- Increase the number of female managers in Japan to 1,000 by fiscal 2020 (2.5 times more than at the end of fiscal 2012).

Key Indicators

- Number and Ratio of Female Managers

![Graph showing the number and ratio of female managers from FY2000 to FY2014.](image)

- Female managers, Hitachi, Ltd. (left scale)
- Female managers, Hitachi Group (right scale)
- Percentage of total, Hitachi, Ltd.
- Percentage of total, Hitachi Group
Since fiscal 2013, a survey of women's career success has been conducted annually in 30 in-house and Group companies. We use an external institution's survey framework to quantify the status of these companies according to four indexes: female management appointments, work-life balance, gender equality, and advancement of women in the workplace. Group rankings are accompanied by comparisons with other companies in the same industry to appropriately understand the results from the wide range of businesses surveyed. To date the survey has revealed both progress and some outstanding issues. Participating companies use the results to formulate measures, including creating key performance indicators (KPIs) to accelerate female employees' advancement in the workplace.

**Women's Career Success Survey**

The annual Hitachi Group Women Leaders’ Meeting provides career enhancement opportunities for female employees at the general manager level and above working at Hitachi Group companies in Japan and serves to strengthen the network of women leaders. The inaugural meeting in fiscal 2013 was attended by 113 women leaders. Speakers included then President Hiroaki Nakanishi, then Chairman Takashi Kawamura, and Yukari Tominaga, the Hitachi Group’s first female executive officer. Participants engaged in group discussion on such themes as boosting female employees’ own awareness and changing the mindsets of people in the workplace, with each group presenting recommendations to executives.

The fiscal 2014 meeting was held on August 4 and had 125 participants. It kicked off with a speech by President and COO Toshiaki Higashihara on the theme of what it means to be a leader, followed by a discussion with participants on topics including cultivating human capital development and leadership. Input from participants at the 2013 meeting led to the establishment of the Hitachi Group Career Seminar for Young Women. Following presentation of a progress report, there was also an introduction of independent activities led by women leaders.

**Women Leaders’ Meeting**

The seminar consisted of a lecture about the environment surrounding working women and a panel discussion hosted by senior female employees. It also provided methods for understanding how to think about careers and participants engaged in group discussions focusing on their own medium- to long-term career plans. The majority of the roughly 300 participants at the seminar were in their third or fourth year in career-stream positions.

**Career Seminar for Young Women**
As part of efforts to foster diversity and inclusion, Hitachi Group companies in Europe have begun two key initiatives aimed at providing career development support to women. In 2013, the Women's Interactive Network (WIN) was launched through the efforts of different Group companies. “Webinars” presenting the findings of Project 28-40, a survey of the working lives of women, were also developed to further raise awareness and understanding toward overcoming unconscious biases.

In November 2014, many employees from European Group companies attended the second WIN summit. Held under the theme of emboldening women, the summit featured a broad program including a session where Nicky Moffat, the highest ranked woman in the British army, gave participants career advice. During the event, Diversity & Inclusion Development Center head Nachiko Tamiya addressed the importance of cooperation among all Group companies in promoting diversity and inclusion and Chief Executive for EMEA/CIS Klaus Dieter Rennert stressed how greater diversity is essential to boosting Hitachi’s competitiveness.

A pilot mentoring program involving six groups from seven Group companies was also initiated. Each group brought together women in managerial positions or involved in corresponding duties to discuss over a six-month period topics and issues related to career development. The results of the program are to be used to advance and broaden diversity and inclusion.
Our diversity and inclusion management initiatives are designed to enable all employees to reach their full potential, as well as to enhance our organizational capabilities and to create synergies that will boost productivity and grow our business. This requires building a work environment that embraces human resource diversity and promotes work style flexibility.

Hitachi looks beyond work-life balance, promoting work-life management that enables our employees to take charge of improving the quality of both their work and their private lives. We believe that optimizing time spent in and outside the workplace through work-life management enhances our employees’ professionalism and builds character, resulting in both individual and organizational growth over the long term.

Since the 1990s, we have been introducing and improving an array of programs for employees to balance work with family, aiming to create a more employee-friendly work environment.

**Work-Life Management Support System (Example of Hitachi, Ltd.)**

<table>
<thead>
<tr>
<th>Child Care Support System</th>
<th>Nursing Care Support System</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pregnancy</strong></td>
<td><strong>Nursing care leave</strong></td>
</tr>
<tr>
<td><strong>Childbirth</strong></td>
<td><strong>Return to work</strong></td>
</tr>
<tr>
<td><strong>Child care leave</strong></td>
<td><strong>Shorter working hours</strong></td>
</tr>
<tr>
<td><strong>Return to work</strong></td>
<td>Work from home</td>
</tr>
<tr>
<td></td>
<td>Family nursing leave</td>
</tr>
<tr>
<td></td>
<td>Child nursing leave</td>
</tr>
<tr>
<td></td>
<td>Half-day leave (unlimited)</td>
</tr>
</tbody>
</table>

**For women**

- **Fertility treatment leave**
- Leave for prenatal medical appointments, pregnancy problem leave, etc.
- Maternity leave (8 weeks before and 8 weeks after childbirth)
- Child care leave (up to 3 years until the child completes the first grade of elementary school; can be taken on nonconsecutive days)
- Shorter working hours (generally 6, 6.5, or 7 hours)
- Work from home (career-stream positions)
- Family nursing leave (5 days per year), child nursing leave (5 days per child per year)
- Half-day leave (unlimited), leave for overseas spouse transfers

**For men**

- **Paternity leave** (total of 5 days)
- **Nursery leave** (up to 1 year; can be taken on nonconsecutive days)
- **Child Care Support System**
- **Nursing Care Support System**

*1 Flextime and discretionary labor systems are also available. The Cafeteria Plan is a system in which employees can select the support that they need, when they need it, according to their "Cafeteria Points."
In-House Child care Centers

Genki Club
In April 2013, the Genki Club daycare center celebrated its tenth anniversary. This in-house facility was set up to help Hitachi’s employees living and working around the Totsuka area in Yokohama to balance work and child care. The center opened with 14 children; as of March 2015 this has grown to over 70, with the center becoming one of the few large in-house daycare facilities in Japan. The Hitachi Workers Union Soft Branch operates the center along with Hitachi, Ltd., Group companies, labor unions, and other organizations that work together to provide support.

<table>
<thead>
<tr>
<th>Established</th>
<th>April 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>292 Yoshida-cho, Totsuka-ku, Yokohama-shi, Kanagawa, Japan (Yokohama Office, Hitachi, Ltd.)</td>
</tr>
<tr>
<td>Capacity</td>
<td>Approximately 70 children</td>
</tr>
<tr>
<td>Ages eligible</td>
<td>Infants aged several months to 6 years (children who have not yet reached elementary school age)</td>
</tr>
<tr>
<td>Operating hours</td>
<td>7:30–20:00</td>
</tr>
</tbody>
</table>

Sakura Hiroba (Hitachi Chemical Group)
Hitachi Chemical Co., Ltd., has a range of programs that ensure an employee-friendly work environment. These include a program launched in fiscal 2006, and renamed the Diversity Development Project in fiscal 2008, that encourages women in the workplace, as well as the establishment in fiscal 2007 of a special section aimed at developing diversity. In addition, Hitachi Chemical has also created a nearby in-house nursery to help employees balance work and child rearing. Featuring a large play area with playground equipment, the nursery’s flexible child care options are designed to meet the full range of employee needs, including monthly care and drop-ins.

<table>
<thead>
<tr>
<th>Established</th>
<th>April 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>2-27-22 Higashi-cho, Hitachi-shi, Ibaraki, Japan (near Yamazaki Division, Hitachi Chemical)</td>
</tr>
<tr>
<td>Capacity</td>
<td>20 children (can enroll a maximum of 30)</td>
</tr>
<tr>
<td>Ages eligible</td>
<td>Infants aged several months to children up to 6 years old who have not yet entered elementary school (children of Hitachi Chemical Group employees who commute to the city of Hitachi)</td>
</tr>
<tr>
<td>Operating hours</td>
<td>7:30–20:00</td>
</tr>
</tbody>
</table>
Hitachi is revising working styles, seeking to increase productivity through reduction of working hours. Efforts include presenting reports on actual situations of long working hours and periodic follow-ups at meetings for senior managers of HR, establishing days where no overtime will be conducted, and sharing and discussing examples of positive work styles. In addition, each site has its own unique approach to encourage employees to inform their colleagues of the time to leave the office, post calendars to plan their vacations, take a paid holiday each month, and secure their “Thinking Time” during which they concentrate on their duties.

IT support has also arranged for the times PCs are turned on and off to be recorded, so that both managers and employees can check their working hours in real time. Communication is being enhanced to improve work efficiency, such as by helping employees establish priority for their various tasks. The introduction of secure PCs and techniques for effectively using travel time have also allowed employees to fully utilize time they are at work but away from their desks. In addition, Hitachi, Ltd. and labor unions are collaborating to achieve 100% use of Planned Annual Paid Vacation and Special Incentive Leave.

Hitachi has systems and processes that allow employees to choose flexible and diverse work styles unrestricted by time or location. This allows our diverse staff to produce results more efficiently. In addition to discretionary work, flextime, and work from home, these initiatives include satellite offices, simplified work-from-home procedures and applications, distribution of mobile tools such as smartphones, and a time- and location-free work page on our intranet providing information on diverse work styles.
Hitachi, Ltd. and Group companies in Japan have worked hard to employ people with disabilities, such as by holding special hiring fairs and study meetings for Group companies to share information. As a result, as of June 2014 the employment ratio of people with disabilities was 2.03% at Hitachi, Ltd. and 2.07% for the entire Group in Japan. Both of these figures topped Japan’s legally required employment rate of 2.0%. We will maintain our Group-wide drive to hire more people with disabilities.

**Core Policy**

**Employing People with Disabilities**

Since fiscal 2010, we have held a Group-wide Work-Life Balance-up! (WLB-up!) Month each November to inform employees of our work-life balance management approach. The goal of the program is to improve the quality of employees’ work and personal lives by boosting awareness of work-life management, developing a better review of work styles, and promoting understanding of the programs and tools needed for work-life management.

Group-wide activities include messages from top management, work style review declarations in workplaces from managers, surveys of work-life management, a weekly e-mail newsletter sent to all employees, and WLB-up! Month posters. Individual workplaces also operate their own programs, including WLB-up! meetings, the active use of video and web conferencing to share information, and campaigns encouraging employees to utilize annual leave.

**Expanding Hiring of People with Disabilities**

Hitachi, Ltd. and Group companies in Japan have worked hard to employ people with disabilities, such as by holding special hiring fairs and study meetings for Group companies to share information. As a result, as of June 2014 the employment ratio of people with disabilities was 2.03% at Hitachi, Ltd. and 2.07% for the entire Group in Japan. Both of these figures topped Japan’s legally required employment rate of 2.0%. We will maintain our Group-wide drive to hire more people with disabilities.

**Key Indicators**

- Employment of People with Disabilities and Employment Ratio (Hitachi, Ltd.)

<table>
<thead>
<tr>
<th>Year (FY)</th>
<th>Employment of People with Disabilities (people)</th>
<th>Employment Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>981</td>
<td>1.85</td>
</tr>
<tr>
<td>2011</td>
<td>1,044.5</td>
<td>1.90</td>
</tr>
<tr>
<td>2012</td>
<td>1,072</td>
<td>2.00</td>
</tr>
<tr>
<td>2013</td>
<td>1,150.5</td>
<td>2.02</td>
</tr>
<tr>
<td>2014</td>
<td>1,243</td>
<td>2.03</td>
</tr>
</tbody>
</table>

*1 Up to fiscal 2012, the legally required employment rate was 1.8%.

Notes: Data compiled in June of each year. Employees with severe disabilities are counted twice.
As of June 2014, the five special subsidiaries*1 within the Hitachi Group employ 254 people with disabilities. These employees work at the parent company and affiliated companies performing such tasks as collecting and delivering mail, cleaning, and providing clerical assistance, as well as staffing cafeterias and teacooms.

*1 If an enterprise forms a subsidiary that gives special consideration to employing people with disabilities in order to promote and stabilize the employment of these people, and where certain requirements are met, people employed at the subsidiary are recognized as being employed at the parent company and can be included in calculations of the parent company's employment rate.

<table>
<thead>
<tr>
<th>Special subsidiary</th>
<th>Parent company</th>
<th>No. of people with disabilities</th>
<th>Main tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi You and I Co., Ltd.</td>
<td>Hitachi, Ltd.</td>
<td>119</td>
<td>Cleaning, mail, shredding, cafeteria work, clerical assistance</td>
</tr>
<tr>
<td>Hallow</td>
<td>Hitachi Metals, Ltd.</td>
<td>45</td>
<td>Machining, checking, aluminum wheel grinding, mail</td>
</tr>
<tr>
<td>Hitachi High-Tech Support Corporation</td>
<td>Hitachi High-Technologies Corporation</td>
<td>28</td>
<td>Mail collection and delivery, aluminum wheel grinding, business card creation, travel expense calculations, bookbinding</td>
</tr>
<tr>
<td>Builcare Staff Co., Ltd.</td>
<td>Hitachi Building Systems Co., Ltd.</td>
<td>57</td>
<td>Digitizing of documents, office work assistance, cleaning, shredding</td>
</tr>
<tr>
<td>UJKC Social Enterprise Co., Ltd.</td>
<td>Hitachi Automotive Steering, Ltd.</td>
<td>5</td>
<td>Auto parts assembly</td>
</tr>
</tbody>
</table>

To create jobs for people with disabilities in Hitachi’s home of Ibaraki Prefecture, local plants and offices as well as Group companies outsource work for around 80 people to the Ibaraki Sheltered Workshop.*2

*2 Ibaraki Sheltered Workshop was established in 1978 under an agreement with Ibaraki Prefecture, the social welfare corporation Jiritsuhoushikai, and Hitachi, Ltd. to provide work, guidance, and health supervision for the physically disabled who are able to work but are prevented from working at other companies because of limited onsite facilities or structures or long commutes.

**Promoting Employment and Understanding for People with Mental Disabilities**

In 2009, Hitachi, Ltd. was selected to participate in a model program of the Ministry of Health, Labor, and Welfare aimed at promoting employment for people with mental disabilities. Since that time, we have applied the knowledge and know-how gained in this program toward boosting such employment across the entire Hitachi Group in Japan. As of June 2014, there are 274 people with mental disabilities employed at Group companies. Hitachi, Ltd. has worked to bring attention to and promote understanding of these employees by holding workshops providing information on ways to support them. At the same time, we have provided employees with training necessary to help them manage their disabilities and keep them working. These Hitachi and Group company initiatives have received widespread attention through prefectural labor bureau seminars and annual meetings of the Japan Psychiatric Medical Conference.

We will continue to develop model examples of employing people with mental disabilities and will communicate this information to society.