Employee Health, Safety, and Welfare

**Hitachi’s Approach**

Employment trends and work patterns are shifting as the Japanese population continues to age and urbanize and as companies rapidly globalize, affecting the overall health and safety of employees in new and complex ways. Hitachi holds the health and safety of employees as a top priority. We consider it our duty to give our workers an environment where they can go about their duties safely and with peace of mind. We take a Group-wide approach to preventing accidents that includes sharing the Hitachi Group Health and Safety Policy globally, using a system that tracks information on health and safety management from all Group companies in Japan, and establishing key performance indicators (KPIs) for occupational accident rates.

**Our Actions in Fiscal 2014**

Ensuring the health and safety of all employees is a basic principle shared by all Hitachi Group companies around the world. We are engaged in improving the level of health and safety through Group-wide initiatives that include accurate tracking of safety conditions, using standardized methods for reporting and collecting information on accidents, as well as implementation of safety standards and other policies. In Japan, we are introducing measures to comply with new laws and regulations.

In response to the diverse needs of employees, we continue to engage in such welfare initiatives as the “cafeteria plan” program and the defined contribution and defined benefits pension plans.

- Occupational accident rate (fatality or work-time loss of more than one day) across the Hitachi Group in Japan of 0.27.*1
- Participation by around 120 executive officers and division chiefs in charge of safety at Hitachi Group companies in Japan in the Hitachi Group Special Safety Conference headed by President and COO Toshiaki Higashihara, as part of efforts to prevent work-related accidents.

*1 Occupational accident rate = (total lost-time injury cases ÷ total working hours) × 1 million.

**Occupational Health and Safety**

**Fundamental Idea for Occupational 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 Hitachi Group companies all around the world. Employees work together to create safe, secure work environments that aim to be accident free.
Hitachi Group Health and Safety Policy

**Principle**  “Health and Safety Comes First.”

**Policies**  In accordance with our mission, “Contribute to society through the development of superior, original technology and products,” the Hitachi Group will endeavor to ensure safe and healthy workplaces under the principle of “Health and Safety Always Comes First.”

To accomplish this, we will:

1. Continually be involved in health and safety activities in order to prevent work-related injuries and sickness by designating the health and safety of employees as management’s top priority.
2. Comply with the local laws and regulations in each company regarding health and safety.
3. Develop a safe and comfortable work environment by encouraging employees to maintain their own health and taking a proactive stance on health and safety activities in the workplace.
4. Require an understanding of Hitachi’s principle and the promotion of health and safety awareness from all business partners of the Hitachi Group.
5. Contribute to the creation of a safe and pleasant society by emphasizing activities that make health and safety a top priority in all of Hitachi’s business activities.

Revised November 2013

Hitachi is promoting a range of Group-wide occupational health and safety activities. These include preventing workplace accidents by setting and applying minimum safety standards to be observed by Group manufacturers around the globe and by taking into consideration the specific conditions at each company. We respond quickly when an accident occurs and use incidents to make improvements and boost the level of health and safety management.

In fiscal 2011 we introduced the Hitachi Group Key Safety Management Designation System. This initiative tracks key safety management improvements at Hitachi Group companies and business sites in Japan that have experienced serious work accidents. Under the leadership of top executives, these companies and business sites take on management-driven and bottom-up initiatives to formulate and promote specific improvement plans. We are also reshaping the Group’s safety management framework and introducing targeted safety measures, including extensive investigations of the cause of serious accidents, reviews of risks to reduce potential accidents, and engagement of third parties with a high level of health and safety expertise to diagnose safety issues. We are also working to comply with new regulatory requirements regarding the Stress Check System and chemical risk assessment system in Japan, which are slated to go into effect in fiscal 2015 and 2016, respectively.

### Framework for Promoting Health and Safety

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#### Key Indicators

- **Occupational Accident Rates**

  ![Graph showing occupational accident rates](image)
In response to an increase in work-related accidents in fiscal 2014, Hitachi President and COO Toshiaki Higashihara in February 2015 led the Hitachi Group Special Safety Conference, which included around 120 executive officers and division chiefs in charge of safety at Hitachi Group companies in Japan. During the meeting participants considered ways to bolster safety and preventive measures, such as by introducing new initiatives for fiscal 2015, examining Hitachi Group policies, and providing examples of successful efforts to date. These were then used by Group companies to establish plans for preventing workplace accidents.

Global Group Safety Figures for Fiscal 2014

<table>
<thead>
<tr>
<th>Area</th>
<th>Occurrence rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outside Japan</td>
<td>2.51</td>
</tr>
<tr>
<td>In Japan</td>
<td>0.53</td>
</tr>
<tr>
<td>Global</td>
<td>1.23</td>
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</tbody>
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*Occurrence rate is the rate of workplace accidents per 1,000 employees resulting in fatality or work-time loss of more than one day.

Hitachi is dedicated to improving health and safety levels through employee-management cooperation. This includes signing a collective agreement with the Hitachi Workers Union on the promotion of, among other things, health and safety mechanisms, a health and safety commission, education and training programs, and health checks for employees.

We built the Hitachi Group Health and Safety Portal System in 2012 to ensure that every Hitachi Group company in Japan can track the health and safety performance of the entire Hitachi Group.

Group-wide information on work accidents is registered in the system so that companies can track causes and see what preventive measures have been initiated. To help prevent recurrences, statistics are kept on types of accidents. Since 2014, we have carried out initiatives to share information on workplace accidents globally, including one that tracks and provides feedback on accidents occurring at Group companies outside of Japan.

Once a year we hold the Hitachi Group Health and Safety Research Presentation Meeting for Hitachi health and safety officers. The 58th gathering, held in November 2014, attracted around 150 participants, who shared newfound knowledge from case studies and heard special lectures from outside experts on ways to improve health and safety activities at companies. Around 70 occupational healthcare workers, including physicians and nurses, participated in the 14th Hitachi Group Industrial Health Conference in January 2015. Participants presented research results, shared information on methods for improving occupational health programs at business sites, and discussed training approaches for relevant healthcare workers.
Hitachi Systems, Ltd. has initiated efforts to support employees returning to work after mental illness by using the Fatigue and Stress Checkup System. This system makes it easier for employees to track their fatigue levels, thus allowing better self-care for their mental and physical health. This system was developed through an industry-university partnership in fiscal 2012 to care for the mental health of local residents and local government employees affected by the Great East Japan Earthquake. This cloud-based system capitalizes on research into fatigue technologies and utilizes an instrument that measures autonomic nervous system responses to detect the early signs of fatigue and stress.

The Hitachi Group Health and Safety Award Program

We have implemented the Hitachi Group Health and Safety Award Program to recognize Group companies in Japan that extend their accident-free records or that receive prizes for health and safety from external organizations. One such company is the Information and Telecommunication System Company of the Hitachi Telecommunications and Network Systems Division. The company, based in Totsuka Ward, Yokohama City, has as of January 2014 extended its record of accident-free work-time hours to 150 million. By not recording a single work-time accident for approximately 37 years, it stands as the Group’s top health and safety performer.

Fatigue and Stress Checkup System

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Employee Welfare

Hitachi, Ltd. has designed programs to support employees’ self-reliance and independence. These include housing support, such as dormitories, company housing, and a housing allowance system, as well as an asset-building savings program, an employee stock ownership program, group insurance, and consolation payments. In fiscal 2000, a new “cafeteria plan” program was introduced, enabling employees to select the benefits they receive.

Under the initiative employees are able to tailor a plan to their individual lifestyles and needs by choosing from a list of options, such as skills development, child care, nursing care, health promotion, and donations. Employees use “cafeteria points” to select the type of support they need when they need it.

The Hitachi Group has fundamentally revamped its retirement and pension plans to reflect the diversification of postretirement lifestyles, changes in the employment system, and revisions to the legal system. Defined contribution and defined benefit pension plans have been introduced across the Group to provide support for employees’ diverse lifecareering needs. The defined contribution pension plan encourages employees to participate in their postretirement planning by providing asset management and investment education, as well as other support. With the defined benefit pension plan, we increased the number of benefit options in response to employees’ varied needs.