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Hitachi's Aims

Employees are valued partners who play a vital role in sustaining our business. The cornerstone of a sound and mutually beneficial relationship between employees and the company, and the motive force for sustainable growth, is to provide proper working conditions for employees and build a framework for the maximization of their potential. By complying with all work-related laws and regulations and creating a work environment that maintains and develops fair employment relations and makes full use of the abilities of its diverse human capital, Hitachi aims to be a company in which all employees can engage in safe and fulfilling work.

In addition, the nationalities of Hitachi workers are diversifying in response to the globalization of our operations, and the share of non-Japanese employees at Hitachi, Ltd. is rising. In order to adequately meet the needs of customers that differ from region to region and country to country, we have augmented and strengthened our frontline staff and are also aiming to build a structure to foster global human capital.

Main Plans and Results

Policies	FY 2015 goals/plans	Results in FY 2015	Achievement level	FY 2016 goals/plans
<ul style="list-style-type: none"> Implementation of career training for employees, young and old, at various stages in their careers 	<ul style="list-style-type: none"> Hold career training for over 700 new employees Hold Hitachi Career Development Workshop (H-CDW) for over 700 new assistant managers Provide Life Plan Training to older employees, including over 700 participants in e-learning program, over 400 in seminars, and over 350 in Life Plan Briefing 	<ul style="list-style-type: none"> Held career training for 765 new employees Held H-CDW for 548 new assistant managers Provided older employees with Life Plan Training; 1,924 registered for e-learning and 988 completed program, 602 participated in seminars, and 441 participated in Life Plan Briefing for employees at age 58 	★★★	<ul style="list-style-type: none"> Hold career training for 660 new employees Hold H-CDW for 800 new assistant managers Provide Life Plan Training, including participation in (1) e-learning program, (2) seminars for 50-year-old employees on annual contracts, and (3) Life Plan Briefing for 500 employees at age 58
<ul style="list-style-type: none"> Promotion of employment of people with disabilities within the Group 	<ul style="list-style-type: none"> Achieve Japan's legally required employment rate at Hitachi, Ltd. Ensure strict compliance with legal employment rate at all Hitachi Group companies in Japan 	<ul style="list-style-type: none"> Achieved 2.11%  employment rate at Hitachi, Ltd. and 2.18%  at Group companies in Japan; 15 still below the legal rate (as of March 2016) 	★★★	<ul style="list-style-type: none"> Achieve legal employment rate at Hitachi, Ltd. Ensure strict compliance with legal employment rate at all Group companies in Japan
<ul style="list-style-type: none"> Raising of health and safety management levels across the Group through promotion of global health and safety management 	<ul style="list-style-type: none"> Implement and review minimum Group-wide standards for health and safety Compile global health and safety statistics by region Strengthen health and safety measures in Japan 	<ul style="list-style-type: none"> Began implementing and reviewing minimum health and safety standards Compiled global statistics in 2015 and provided feedback every six months; collection rate increased by approximately 11% from previous fiscal year Implemented measures to improve safety levels in Japan, leading to slight decrease in accidents 	★★	<ul style="list-style-type: none"> Continue to implement and review minimum Group-wide health and safety standards Implement preventive measures by utilizing best practices and accident cases Introduce measures in response to new laws and regulations in Japan

★★★: Achieved ★★: Partially achieved ★: Not achieved

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Achieving a Fair and Equitable Work Environment

Hitachi's Approach

Ensuring that hiring and promotions, as well as worker assessment and compensation, are fair is not only a duty that companies must fulfill toward their employees but also an important means of building a healthy relationship with outstanding human capital. Hitachi has a human resource strategy that emphasizes the concept of “decent work” (that is, work that is humane and fulfilling). This concept has taken on increased importance globally as a standard for labor practices, with the International Labour Organization, for example, positioning the concept as an important objective of its activities. Companies are expected to ensure decent work through policies appropriate to their businesses.

Decent Work

Hitachi's Thinking on Decent Work

Human resources are key to Hitachi's ability to adapt to rapid social and environmental change and continue providing new value to customers. Diversity and inclusion are crucial to our strategy, and throughout the Hitachi Group

we promote HR management practices that maximize the strength we can draw from a diverse, highly engaged workforce transcending national and corporate boundaries. Our globally shared leadership development program fosters leaders who champion our Social Innovation Business around the world, while a range of other training programs help employees obtain the knowledge and skills they need to provide innovative solutions to our customers.

Hitachi also views it as crucial to create a work environment in which each employee can engage meaningfully in productive work. As part of efforts in this area, we have unified performance review standards worldwide in a highly transparent and fair system for evaluating each employee's achievements. We have also enacted safety policies that apply across the entire Hitachi Group, and continue striving globally to create workplaces that offer safety and peace of mind to those who work there. Other initiatives aim to make it easier to achieve work-life balance, reduce work hours, and promote healthy lifestyles among employees. Additionally, we conduct an annual survey of employee engagement levels across the Group, using the results as the basis for further improvement in management practices.

Promoting Diversity and Inclusion

Hitachi's Approach

Hitachi believes that building a corporate culture that fully draws on the diversity of human capital, in terms of gender, age, and values, not only offers employees an opportunity to approach their work with enthusiasm but also contributes to enhancing competitiveness through the provision of solutions that incorporate diverse perspectives. In recent years, with the growing interest among stakeholders for personnel policies enabling flexible workstyles, we are taking a proactive stance toward implementing this approach. We are also establishing key performance indicators to help expand career options for female employees.

With the strong commitment of top management, we aim to promote diversity as part of our management strategy and become a company that makes full use of our diverse human capital.

Diversity and Inclusion

Statement on Diversity and Inclusion

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. With strong teamwork and broad experience in the global market, we will meet our customers' needs.

Diversity Management Initiative: “Diversity for the Next 100”

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 Phase 3 of our diversity management roadmap, we are embracing diversity as



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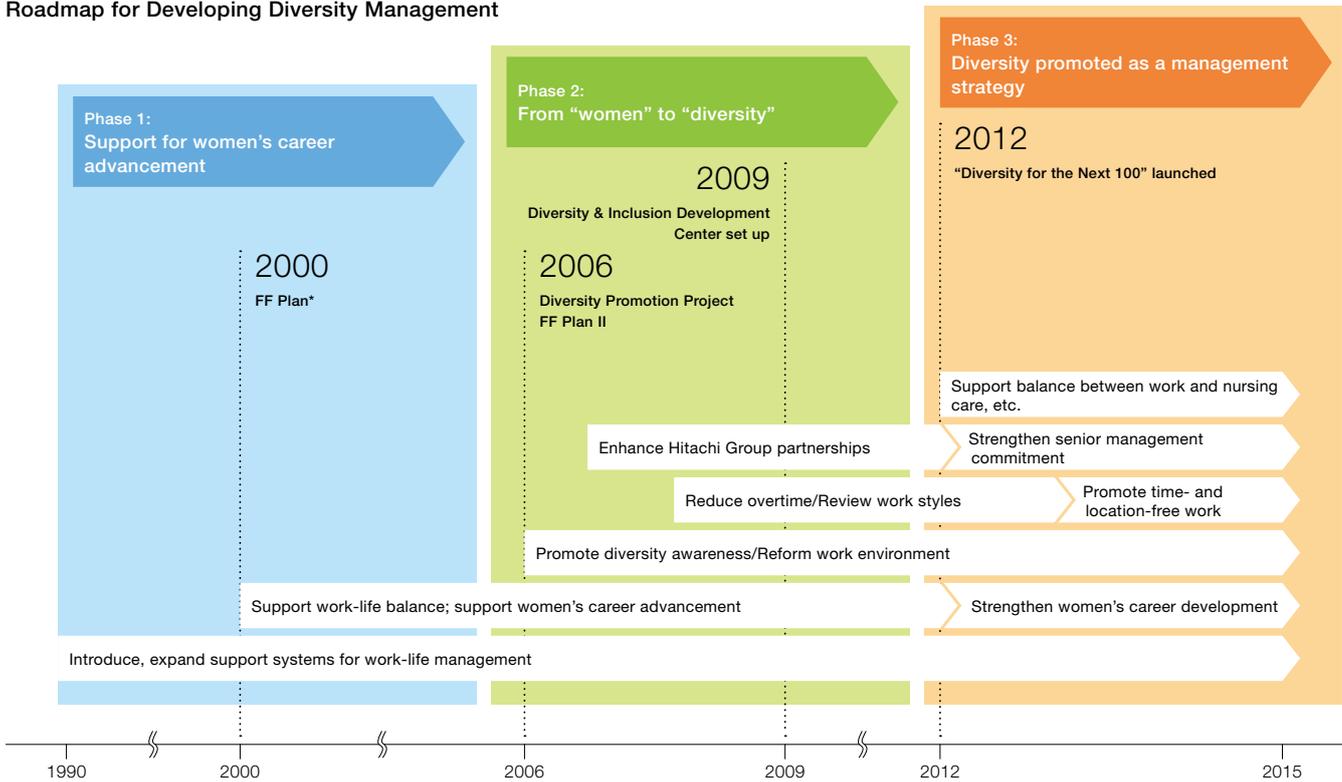
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Labor Practices Promoting Diversity and Inclusion

a management strategy under the initiative slogan “Diversity for the Next 100.” This means creating an environment where

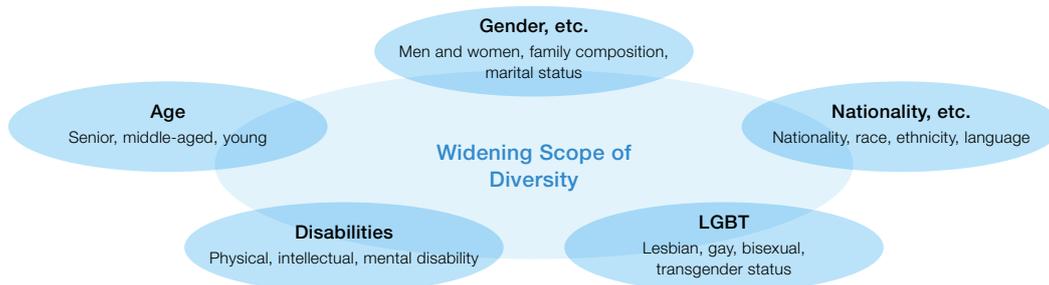
women and other members of our varied workforce can use their skills in leadership and business management.

Roadmap for Developing Diversity Management



* 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



Deepening Diversity Management



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Development Structure of Diversity Management

The Diversity Development 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.

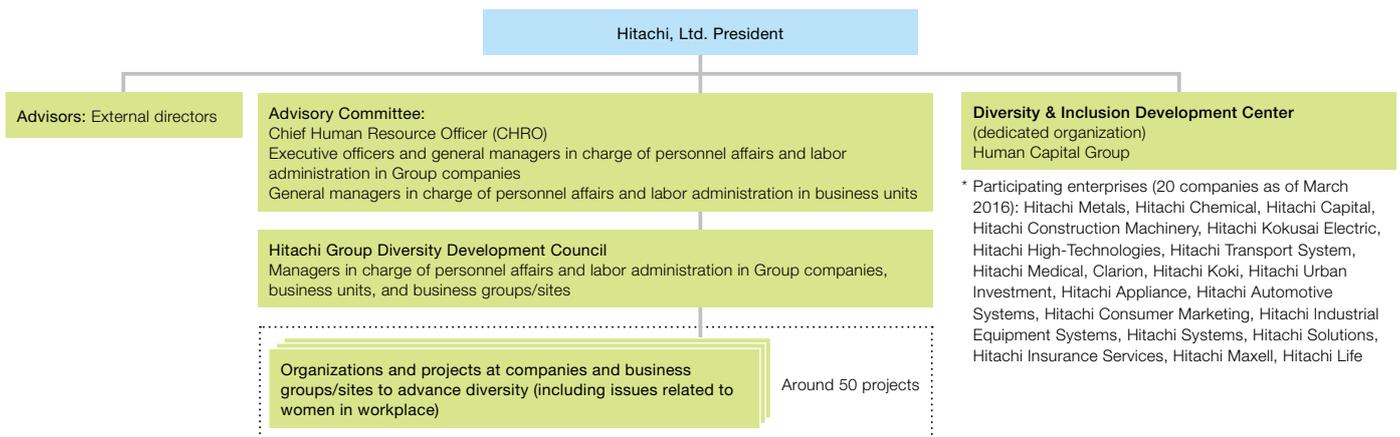
Hitachi and 20 Group companies jointly operate the Advisory Committee and the Diversity Development Council to accelerate awareness across Hitachi as a whole, including support for diverse human resources and work-life management. The Advisory Committee ensures follow-through on our diversity management 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 diversity-promotion organizations and projects, such as those to help develop women’s careers, in

order to enhance initiatives geared to the challenges faced by individual workplaces. We also hold regular meetings to exchange opinions on diversity with labor unions.

In Europe, too, we are accelerating the pace of our diversity and inclusion initiatives on the basis of establishing the D&I Steering Committee in January 2016. The committee, which convenes every quarter, is made up of executives from the seven main Hitachi Group companies in Europe, including Hitachi Europe Ltd., Hitachi Rail Europe Ltd., and Hitachi Data Systems Corporation. The three main areas addressed are “the creation of a diversity and inclusion framework,” “career development,” and “communication.” Members are assigned to each area and lively discussions are held in order to formulate and implement plans to promote diversity and inclusion.

Hitachi Group Diversity Structure



Developing Women's Careers

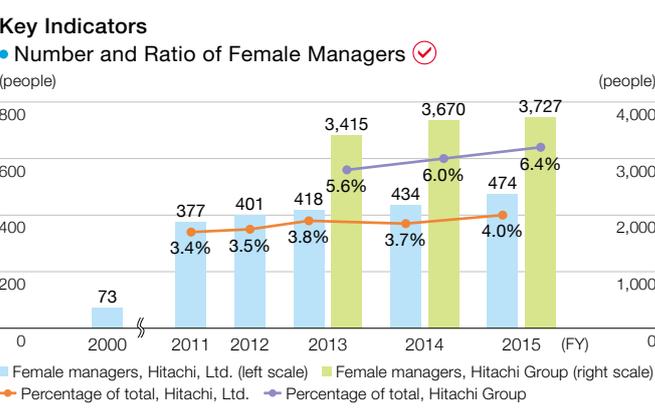
KPI of Developing Women's Careers

Hitachi, Ltd. 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 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 (including the CSR and Environmental Strategy Division chief 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).





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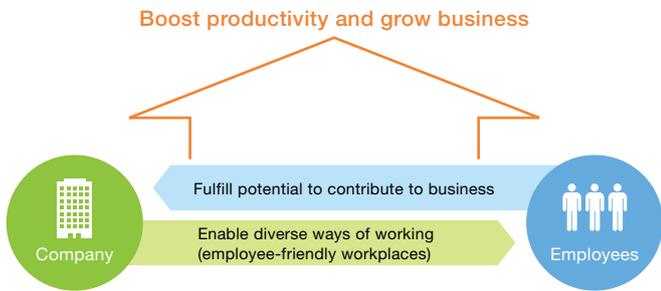
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Work-Life Management

Hitachi's Work-Life Management Approach

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.

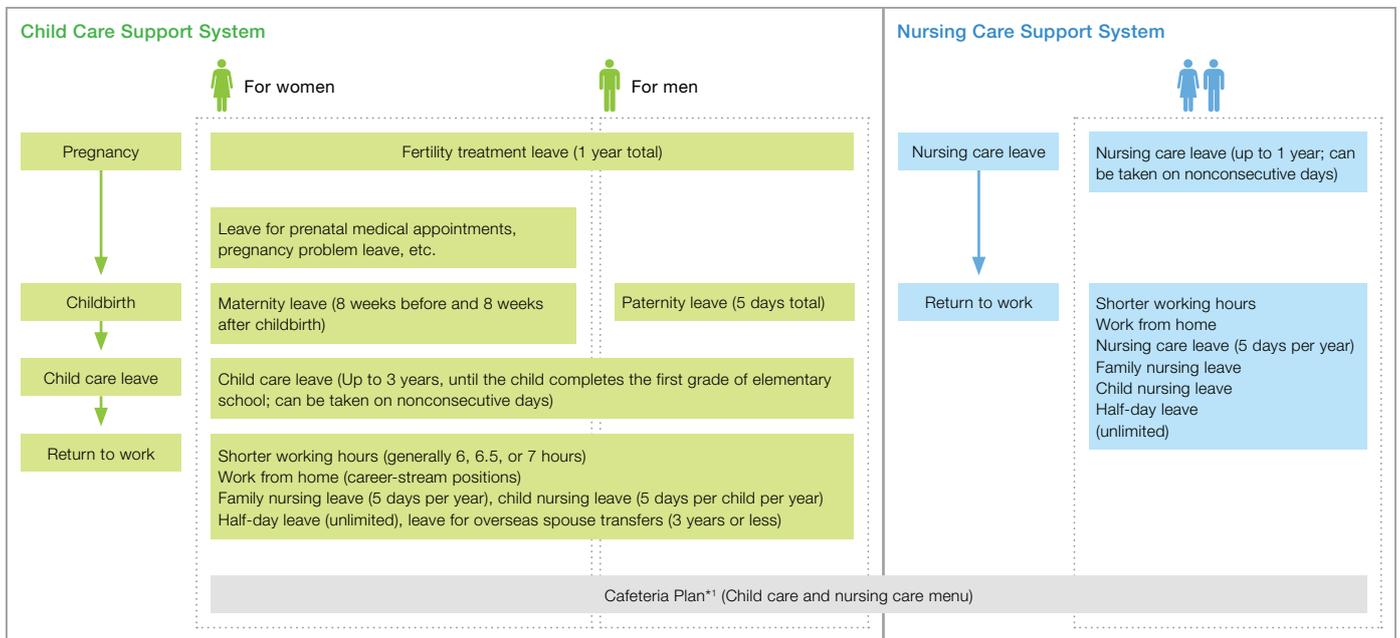


Hitachi looks beyond work-life balance, promoting work-life management that enables our employees to take charge of improving the quality of both their work and their private lives. We believe that optimizing time spent in and outside the workplace through work-life management enhances our employees'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

Enhancing Work-Life Management Support Systems

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.)



*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."



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Labor Practices Promoting Diversity and Inclusion

In-House Child Care Centers

The Hitachi Group, in collaboration with its labor union, has set up in-house child care facilities as a way to help employees balance work with child raising.

Genki Club

Established	April 2003
Location	292 Yoshida-cho, Totsuka-ku, Yokohama-shi, Kanagawa, Japan (Yokohama Office, Hitachi, Ltd.)
Capacity	Approximately 70 children
Ages eligible	Children aged several months up to 6 years old (who have not yet entered elementary school) of Hitachi Group employees who live near or commute to the Totsuka area in Yokohama
Operating hours	7:30–20:00



"Genki Club" Logo



Excursion (sweet potato digging).



Christmas party.

Sakura Hiroba (Hitachi Chemical Group)

Established	April 2008
Location	2-27-22 Higashi-cho, Hitachi-shi, Ibaraki, Japan (near Yamazaki Division, Hitachi Chemical)
Capacity	20 children (can enroll a maximum of 30)
Ages eligible	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)
Operating hours	7:30–20:00

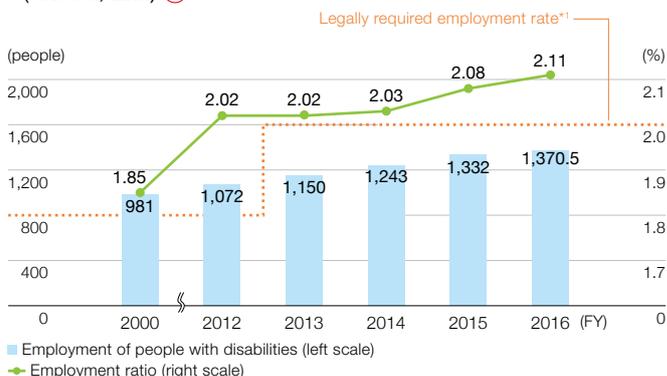
Employing People with Disabilities

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 a special hiring fair and study meetings for Group companies to share information. As a result, as of June 2015 the employment ratio of people with disabilities was 2.08% at Hitachi, Ltd. and 2.14% for the entire Group in Japan. As of June 2016, the employment ratio of people with disabilities was 2.11% at Hitachi, Ltd. and 2.18% for the entire Group in Japan. All 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.)



*1 Up to fiscal 2012, the legally required employment rate was 1.8%; from fiscal 2013 it has been 2.0%.

- Notes:
- Data compiled in June of each fiscal year.
 - The employment ratio is calculated according to methods prescribed in the relevant laws.

Diverse Support Systems for Employees

Support Systems that Meet Diverse Employee Needs

To respond to the diverse lifestyles and needs of our employees, Hitachi, Ltd. has provided a wide range of support by introducing welfare systems that 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, consolation payments, and a "cafeteria plan" program. The cafeteria plan allows employees to select the benefits they receive. This allows them to tailor a plan to their individual lifestyles and living 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.

For our retirement and pension plans, defined contribution and defined benefit plans have been introduced across the Hitachi Group in response to the diversification of lifestyles among the elderly and the changes in forms of employment. 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. We increased the choice of benefit options and timeframes for both the defined contribution pension plan and the defined benefit pension plan in order to better meet the varied needs of employees.



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Labor Practices Promoting Occupational Health and Safety

Promoting Occupational Health and Safety

Hitachi's Approach

As a corporate group that engages in multinational business activities, building safe, healthy, and hygienic workplace environments at business sites around the world is a Group-wide management task for Hitachi. This means that we must be sure to take into careful consideration the social conditions and workplace environment of each country and region.

Hitachi has thoroughly implemented measures for occupational health and safety since its founding. Currently, we are advancing a global occupational health and safety system based on the concept of decent work while also drawing on the lessons and knowledge gained at workplaces in Japan.

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 all Hitachi Group companies 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

Framework for Promoting Health and Safety

Hitachi views occupational health and safety as vital preconditions for advancing our Social Innovation Business.

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 and by taking into consideration the specific conditions at each company. We respond quickly when an accident occurs, using incidents to make improvements and boost our levels of health and safety management.

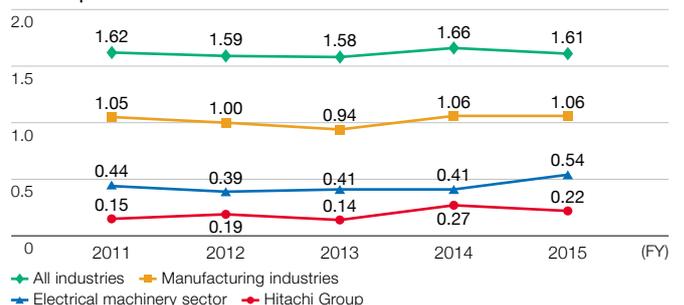
In accordance with Japanese law, a health and safety commission—composed of company representatives, labor-union officials, and employees—is organized at each business site and is convened every month to discuss and share information related to such issues as workplace accident causes and countermeasures, the situation regarding employees who have taken sick leave, and other points of concern.

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.

In fiscal 2015, we became able to grasp our safety management level overseas through the application of safety statistics and minimum standards. Moving forward, we aim to continually make improvements to further raise the level of safety.

Key Indicators

Occupational Accident Rates



Notes: Occupational accidents are defined as those involving fatality or work-time loss of more than one day. Hitachi Group figures for Japan, including Hitachi, Ltd., are for 90 Group companies in 2011; for 175 Group companies in 2012; for 195 Group companies in 2013; for 251 Group companies in 2014; and for 240 Group companies in 2015.



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Labor Practices Promoting Occupational Health and Safety

Hitachi Group's Global Safety Figures (Occurrence rate*1)

	2014	2015
Americas	2.25	4.35
Europe	3.34	2.02
China	2.38	2.10
Rest of Asia	1.65	0.80
Other	20.53	22.05
Japan	0.53	0.42
Global total	1.23	1.21

*1 Occurrence rate is the rate of workplace accidents per 1,000 employees resulting in fatality or work-time loss of more than one day.

Response to Laws Related to Occupational Health and Safety

In terms of legal compliance, the Hitachi Group goes beyond meeting all legal requirements to also make efforts specified in the law even when they are not mandatory. As one part of these efforts, we made a new Stress Check System mandatory in Japan in December 2015. We are encouraging employees to be aware of their own stress levels and striving to improve workplaces to help prevent mental health disorders, while also strategically using the results of group analysis as a means of enlivening the workplaces.

In addition, we are carrying out risk assessments of chemical substances, which became mandatory in Japan in June 2016, to reconfirm the dangers and harmful effects of chemical substances in the workplace and to implement measures well integrated with management conditions to keep employees who handle such substances from damaging their health.

Sharing Health and Safety Information in the Hitachi Group

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 59th gathering, held in November 2015, 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 public health workers, participated in the 15th Hitachi Group Industrial Health Conference in February 2016. Participants presented

research results, shared information on methods for improving occupational health programs at business sites, and discussed training approaches for relevant healthcare workers.

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.

Initiatives to Improve Employee Health

Health is the foundation for being able to work with energy and peace of mind. The fundamental principle of the Hitachi Group Health and Safety Policy is that "Health and Safety Always Comes First." Based on this principle, we are engaged in efforts to maintain and improve the health of employees.

Occupational healthcare workers, human resource departments, and the Hitachi Health Insurance Society work together to provide a range of health support and appropriate health management in accordance with Japan's Industrial Safety and Health Act.

In Ibaraki, Tokyo, and Kanagawa Prefectures, where many Hitachi Group business sites are concentrated, a system of health-management centers has been put in place, staffed with occupational doctors, nurses, and other medical personnel. The centers support the health maintenance of employees by providing them with health guidance based on periodic health checks and other examinations to prevent serious disease, while also offering medical interviews and advice to employees working long hours to head off mental and physical disorders. Support is also provided to raise health awareness through consultations that can help relieve employees' health concerns and promote regular exercise.

In addition, Hitachi Group companies carry out activities including sporting competitions and other events for employees and their families as a way of encouraging workplace cohesion and promoting health.



Participants wait to take part in a strength-measurement test at a health event.



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Labor Practices A Strategy for Growing Together with Our Global Human Capital

A Strategy for Growing Together with Our Global Human Capital

Hitachi's Approach

The globalization of the economy has led many companies to accelerate the shift toward multinational operations. Fostering global human capital has thus become indispensable to providing common global services while at the same time meeting the needs of each country and region. Impacting heavily on the employment and human resource strategies of companies over the medium- to long-term, though, are the falling birthrates and aging populations of industrial countries and the population explosion in developing nations.

The Hitachi Group, with a combined workforce of around 340,000 people engaged together in business activities in countries and regions around the world, is promoting a global human capital management strategy. We are fostering human capital through a diverse array of initiatives, such as hiring and promoting to management positions non-Japanese personnel, drafting measures to share values and promote mutual understanding, and formulating programs to develop human capital capable of meeting the needs of global operations.

Global Human Capital Development

Advancing Global Human Capital

Our Group-wide global human capital management strategy optimizes both human resources and organizational performance in pursuit of Hitachi's goal of becoming a major global player.

One example of our initiatives is the Global Human Capital Database covering all Hitachi Group employees, excluding factory workers outside Japan. This database 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 built a global grading system that applies to all managers in the Hitachi Group worldwide, using it as a common platform for job evaluations throughout the entire Group and as a common standard for assessing the value of management duties.

In addition, we introduced a performance management system at Hitachi, Ltd. and at some Group companies worldwide to link the operational business goals and individual skills, with the aim of mutual sustained improvement and growth of both businesses and individuals. This system will be expanded to include more companies. With an eye to supporting the advancement of employees as our global operations expand, we are introducing common global hiring systems to secure talented personnel, boost efficiency, and reduce hiring costs.

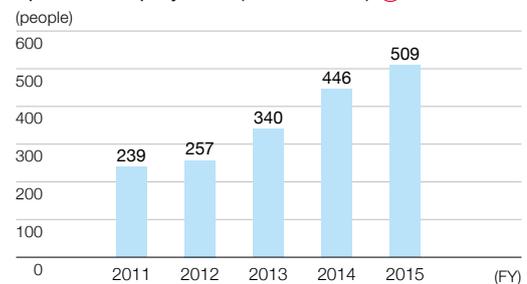
Global Recruiting and Globalizing Human Capital

As a means of opening up global markets, we have been accelerating the globalization of human capital in Japan through three initiatives: (1) recruiting personnel in Japan who can promote global operations, (2) providing more young Japanese employees with experience outside Japan, and (3) comprehensively implementing globally unified management training.

With an eye on the globalization of our business, we are committed to hiring activities that secure the right personnel. In principle, we categorize all employees graduating from universities and technical colleges as global business personnel who can contribute to driving our global operations. Our priority for employing global business personnel is to attract people who are eager to build their foreign language skills and relish the challenge of working in different cultures, social settings, and work environments.

Key Indicators

- Non-Japanese Employees*¹ (Hitachi, Ltd.)



*1 Figures include contract-based technical intern trainees with fixed terms.



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Labor Practices A Strategy for Growing Together with Our Global Human Capital

Providing Young Employees with Overseas Experience

Hitachi maintains broad programs to systematically cultivate and secure people who can succeed in global business. To develop the careers of people who can understand and adapt to local cultures and lifestyles, we have offered a program for younger employees to live outside Japan. We have sent around 4,800 young Group employees over the five years beginning with fiscal 2011, allowing them to take part in more than 80 programs, including understanding other cultures, language studies, local field studies, and internships, as well as opportunities to work with local people to resolve social issues. In fiscal 2015, we shifted our focus to this practical, work-related model of overseas postings, instead of the former emphasis on language training and cross-cultural activities, to accelerate our fostering of employees ready to take on global tasks.

Globalizing Management Training

Along with the rollout of global human capital management, we are also globalizing our human capital development programs.

Since fiscal 2012, we have been holding the Global Advanced Program for Leadership Development (GAP-L) every year in Singapore. The program mainly targets local human resources with potential to be active at our overseas subsidiaries, aiming to foster individuals who can play leading management-level roles at local subsidiaries. In fiscal 2015, 24 leaders from around the world took part in the program. In addition, since fiscal 2013 we have been implementing the Global Advanced Program for Key Positions (GAP-K), which targets management candidates. In fiscal 2015, 22 people selected from Japan and India participated in training under the program for three months.

These programs focus on global business expansion by creating customer value and the requisite leadership skills, moving us closer to our goal of becoming a major global player. In the GAP-K program in particular, time is set aside for participants to look at themselves objectively and gain a deeper understanding of the Hitachi Group Identity, in addition to learning and discussing strategies for global business expansion with a special emphasis on emerging markets.

Starting in fiscal 2014, we also initiated standard training courses for general managers and new managers, with around 4,300 people taking part across our global Group operations. As global human capital management evolves to realize Hitachi's management strategies, we will globalize our management development programs and continue to cultivate leaders to guide us toward further growth.

Career Development Support

There are differences among individual employees with regard to what they find fulfilling in their lives and careers. Bearing this in mind, Hitachi has developed a broad range

of career development support that focuses on employees' "internal careers," namely, their individual values and views on the significance and meaning of their work. In addition to ensuring that these individuals can fulfill their potential and maximize their creativity, our aim is also to link that individual growth to the positive outcomes and growth of the organization, thereby enhancing our corporate value. Along with promoting self-understanding and fostering strong individuals with the independence and autonomy needed to think and act for themselves, we also are providing support to create a framework for the organization to benefit from the engagement and motivation of individual employees and to enhance mutual understanding as a way of fostering the teamwork needed to enhance organizational strength and performance.

Future Initiatives for Career Development

In pursuit of becoming a major global player, we are prioritizing individual and organizational performance. We create value built on employees' individuality and personal aspirations by implementing Hitachi's Global Performance Management (GPM) grounded in diversity and the individual. We are also committed to supporting career development by fostering communication and mutual understanding between employees and their organizations based on programs encouraging individual employees to take greater control of developing their own careers. In these ways, we provide the resources and tools that enable a wide range of people to work together with enthusiasm.

Conducting a Global Employee Survey

Since fiscal 2013, we have been conducting the annual global employee survey, Hitachi Insights, as a way of measuring employee engagement.*1 In September 2015, the survey was administered for the third time. Around 210,000 employees worldwide were sent the survey in one of 13 different languages, and roughly 170,000 responses were received. For the second consecutive year, the results in all 13 categories improved compared to the previous fiscal year's results. The year-on-year improvements were the outcome of the in-house departments and organizations examining the results and implementing improvements, in line with the PDCA (plan, do, check, act) approach. We intend to continue making improvements.

Overall, among the 13 categories, Hitachi scored well as in previous surveys in "pride in your company" and "your supervisor's management," but less well for the category "resources and support." This suggests that employees are proud to be part of a company that is aiming to grow along with society through its Social Innovation Business, but that many employees felt that Hitachi can do better on the level of staffing as well as information and resource tools. In addition, in fiscal 2015 we expanded the range of an initiative begun in the previous fiscal year to directly send the survey results to section and department heads so that they



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can confirm the survey results and communicate with their team members, with the aim of promoting concrete initiatives. In fiscal 2016, in line with our Mid-term Management Plan, the content of the survey will be revised, along with providing support to in-house workplaces to continually implement the PDCA cycle, as a way to further enhance the level of engagement within Hitachi as a whole.

*1 Hitachi uses the term “engagement” to refer to employees’ understanding of the company’s strategies and policies, as well as their job satisfaction and desire to take actions on their own initiative to bring about results.

Career Development in the Workplace

For Hitachi, the center of career development is the daily work that employees perform in the workplace. Based on our Global Performance Management (GPM), we implement a cycle aimed at the growth of each employee through a process in which goals for daily tasks are set and then pursued, followed by the evaluation of the results to formulate the next objectives. Every fiscal year we also conduct “performance planning,” in which individual employees work with supervisor guidance and support, consulting with the supervisors to reach a consensus regarding short-term objectives. These consultations include discussions about past work and evaluations of the content of the work performed to date and the degree to which goals were met, followed by the setting of goals for the next fiscal year. Repeating the GPM cycle improves individual performance and further increases motivation and creativity. This in turn spurs individual growth and improves organizational results. Along with GPM, employees also take part in career consultations with their superiors to discuss their medium- and long-term career plans regarding such matters as requests for transfers or overseas postings.

In addition, Hitachi administers the Career Counseling Center as part of our career development support, in order to provide employees with professional counseling services to help them proactively address concerns related to such issues as their jobs, career plans, or personal relations.

Promoting Career Development Workshops

Along with our workplace career development, we also provide direct support for individual career development through our career development programs. Our key program is the Hitachi Career Development Workshop (H-CDW), launched in fiscal 2002 as an initiative across Group companies in Japan. Around 8,600 people have participated in the program so far (as of March 31, 2016), with a focus on technicians, managers, and researchers in their 30s. Participants use self-analysis to deepen their self-understanding with an emphasis on their “internal careers,” affirming their career direction, goals, and paths so that they can direct the development of their own career and skills. H-CDW has gained recognition as a high-quality program for in-house career development that has built up research and improvements during a period of over 40 years.

In addition to those programs, Hitachi also offers programs targeting specific age groups, such as our career education for younger employees and our training for middle-aged or older employees to help them prepare for the changes ahead in their professional life.

“Adventure Kids in the Company” Implemented

Hitachi’s Financial Systems Department is implementing a 10-day training program for all of its new employees called “Adventure Kids in the Company” that involves explaining the financial systems profession to sixth-year elementary school students. Under the training, the new employees formulate a plan for the program while receiving support from fourth-year employees acting as “team leaders.” They then create presentation materials based on interviews with mid-level managers recommended by each section head regarding “work they consider meaningful.” The department head also takes part in meetings where the first-year employees refine the content of their presentations before giving them to the students to convey the joy of work.

For the new employees, preparing a presentation geared to the understanding of elementary school students, within a limited timeframe, helps them to assimilate the key concepts of quality and deadlines—essential to the financial systems sector that supports social infrastructure. The process is also a way for the newcomers to learn about client relations while building rapport with colleagues who entered the company before them.

The team leaders, for their part, gain insight into the challenge of management through the team coordination experience. The program allows participating managers to look back on past experiences and gain new perceptions from them. Finally, for the section heads who choose participants from among the young employees and managers, the program is part of their ongoing responsibility to choose the most appropriate employees for a given task. In these ways, the program brings together various levels of the organization in an ongoing project.

The program was launched in 2009. To date, 338 new employees have participated, as well as 47 fourth-year employees and another 47 managers.