

## Message from the Chief Human Resources Officer

We are promoting our HR strategy to expand the Social Innovation Business, based on the strategic promotion of diversity and inclusion policies. We are also upgrading management systems to become a truly global enterprise, including building an integrated HR platform.

**Hidenobu Nakahata**  
Senior Vice President  
Chief Human Resources Officer (CHRO)



### Human Capital Is a Critically Important Asset

In 1910, the same year that he founded Hitachi, Namihei Odaira set up the Apprenticeship Training School. This symbolic act illustrates our belief in human capital being one of the most critical assets in business. We benchmark Hitachi's human capital strategy and policies against those of a variety of global enterprises. I am exchanging opinions directly with my counterparts at such companies. Based on these discussions, I think that Hitachi is close to the level of major global players regarding our human resources strategy and personnel management framework.

If I were asked about the strengths of Hitachi in trying to grow in an increasingly commoditized world, my unwavering reply would be that we aim to realize sustainable growth

### Initiatives to Promote Diversity and Inclusion

Diversity and inclusion are the wellspring of innovation for Hitachi. We are building HR systems so we can evaluate the performance of each position and role using a common global standard. With the appointments of Mr. Alistair Dormer as Global CEO of our railway systems business and Dr. Brice Koch as the President of Hitachi Automotive Systems, Ltd., a diversity of viewpoints is reflected in decision-making processes at the senior management level. The ability to recognize diverse values and express different opinions is critical to the provision of optimal solutions that fully address the issues faced by our customers within an increasingly complex society. We will continue to promote diversity within management ranks.

Our global "Work Life Innovation" campaign, which includes work-style reforms in Japan, aims not merely to

by utilizing our human capital to create original value and innovation. In accelerating our management strategy of developing the Social Innovation Business globally using digital technology, two of the vital elements are developing the people who can understand customer and social issues precisely, and creating teams of people with diverse viewpoints, backgrounds, and abilities to work together towards common goals. For these reasons, my focus is on developing our human resources, including the next generation of leaders, through promotion of diversity and inclusion. We have also been focusing efforts on building a global personnel management system to support our human capital utilization.

reduce total working hours, but to create more flexible approaches to work to respect and cater to the values and differing lifestyles of our varied individual employees. We are creating work environments to enable individuals to maximize their abilities, based on practices such as telecommuting or working from a satellite office.

#### Diversity Targets for Hitachi, Ltd. (FY2020)

	End-FY2017 (actual)	FY2020 (target)
Executive and Corporate Officers		
Female	2.5%	10%
Non-Japanese	6.4%	10%
Number of female managers	577	800

## Reinforcing Efforts to Develop Next Generation of Leaders to Realize Sustainable Growth

In addition to Hitachi University, the Group's global e-learning management system, we have developed a variety of educational programs tailored to different jobs and positions. We are also focusing resources on selective training courses aimed at developing future managerial candidates at an early stage. In these courses, participants discuss what is necessary for the growth of Hitachi. The opportunity to generate ideas to present to senior management helps to cultivate the next generation of leaders— people with unique perspective and determination. In addition, we have identified a group of about 50 employees from around

the Hitachi Group with next-generation development potential. People in this "Future 50" group are selected on merit, regardless of age, gender, or nationality. They are given challenges to help expand their horizons and build their perspective, including tough assignments, different types of work, and internal and external training opportunities. The Future 50 group members receive one-on-one mentoring opportunities with outside directors to benefit directly from their extensive business experience and global perspective. Our aim is to change mindsets so we can develop people for important positions in the future.

## Creation of Integrated Personnel Management Platform

We have introduced systems since fiscal 2012 to help optimize the allocation of personnel to important positions within the Hitachi Group, including the Global Human Capital Database and Group-wide systems for grading personnel and managing performance. Since fiscal 2013, we have also conducted an annual survey of our global employees called "Hitachi Insights" to cultivate dynamic and supportive workplace conditions across the Group. With a response rate of more than 80%, the survey generates valuable feedback for business unit CEOs and other Hitachi Group managers. We also reflect the results in our personnel management to help promote greater employee engagement.

In January 2018, we began full-scale operation of our new HR Integrated Platform that brings together HR-related information and processes. I expect three benefits from the introduction of this platform. First, it will boost transparency.

Previously, we had no way of making timely assessments of the skills and capacities of the people working for Hitachi Group companies throughout countries and regions. Being able to see these things will upgrade our ability to assign personnel to appropriate work and to create individualized development programs. Second, by enabling all employees to input experience or skills into the system and access HR-related information online, the new platform reinforces the cultural shift within Hitachi toward greater individual empowerment. It should translate directly into greater development of those who are self-motivated to broaden their horizons by taking on new challenges at work. Finally, the new platform will boost speed and efficiency. For example, enhanced access to global data will help us assign the necessary personnel for new projects more quickly and efficiently, thus contributing to more timely project start-ups.

## Strategic Contribution of HR to the Realization of Society 5.0 and SDGs

Ever since it was founded, Hitachi's corporate philosophy of "contributing to society through development of superior, original technology and products" has embodied the values that are expressed in the SDGs.

Our strategy for human capital development is in line with the aim of the Social Innovation Business to address social issues. Its promotion can make a significant contribution to realizing the Japanese government's "Society 5.0" vision and achieving the SDGs. Most notably, in our personnel development and the promotion of diversity and inclusion policies, we are actively working to achieve Goals 4, 5, and 8.

### SDG focus



Hence, by reforming and developing our HR management platform and systems, and creating conditions to make effective use of them, Hitachi's diverse workforce will help realize sustainable growth while also contributing to the realization of the "Society 5.0" vision and the SDGs.