Human Capital

Hitachi’s Approach

The source of sustained growth in the global and digital era is diverse talent to engender innovation and create new value. We at Hitachi seek to attract, develop, and organize our employees by building good relations with them, respecting their fundamental rights, providing equal opportunities, ensuring occupational health and safety, and optimizing the work-life balance. We also actively engage in dialogue regarding compensation and career development.

2021 HR Strategy

With a mission to contribute to business through talent and organization, Hitachi’s human resources division formulated its 2021 HR Strategy, based on the 2021 Mid-term Management Plan that was announced in May 2018. The strategy sets out goals for our diverse employees around the world to grow through their work, to feel proud and happy about working at Hitachi, to respect diverse values, and to contribute to the creation of safe and vibrant workplaces each in their own way.

We are working to build a company where talent with diverse cultural backgrounds, experiences, and ideas can play an active role. We are cultivating a common Hitachi Group Identity in all employees worldwide so they may share the values of Harmony, Sincerity, and Pioneering Spirit that comprise the Hitachi Founding Spirit, working as One Hitachi across countries, regions, and divisions to contribute to society. We are visualizing talent and organizational data to achieve optimized placement, promoting communication and collaboration among employees, applying analytics featuring HR technology*1 to the accumulated data, and improving the efficiency of our operations.

Toward fiscal 2021, we will promote the following enhanced measures around the four key themes of “Talent,” “Culture,” “Organization,” and “HR Transformation.”

*1 Technology that creates new value by applying big data analytics, AI, and other IT approaches to the domain of human resources.

Our Impact on Society
Ratio of male to female employees
82% to 18%

Our Performance
No. and % of female managers (Hitachi, Ltd.)
635 (4.8%)
Developing Global Human Capital

Hitachi’s Approach to Global Human Capital Management

The source of innovation and corporate growth is human capital. In seeking to become a world leader in the Social Innovation Business, we at Hitachi implement a global, Group-wide strategy for the management of our diverse and highly engaged human capital, encouraging them to work across countries and regions and companies and maximize both personal and organizational performance. Further growing the Social Innovation Business on a global basis requires an optimized system for the hiring, promotion, and development of human capital. We thus have globally unified criteria for the evaluation of performance and offer a common leadership development program for employees around the world. In 2015 we announced a new theme for our efforts to build a corporate culture leading to enhanced global competitiveness that focuses on stirring the mindset and heightening awareness of each and every employee.

Ensuring Fair Evaluation and Compensation

With the globalization of business, there is an increasing need to establish a fair system of employee evaluation and compensation on a worldwide basis. Hitachi is building a management system based on consistent principles across all areas to attract diverse and highly engaged human capital regardless of nationality. In terms of compensation, for example, we have established a Global Compensation Philosophy shared by all Group companies based on the principles of ensuring market competitiveness, pay for performance, and maintaining transparency.
We have developed a performance-based compensation system for full-time, regular employees that is fair and competitive in the context of the labor market for each national or region industry. Every year, the individual achievements of all employees are reviewed to set their compensation, and feedback on their evaluation results is provided to inspire them to develop and grow even further.

We ensure compliance with the laws and regulations of each country and region in which we operate when determining compensation. Starting pay for new graduates in Japan—who represent about half of all new employees hired each year across the Group’s global operations—is roughly 20% higher than the weighted average of Japan’s regional minimum wage.

### Developing Human Capital for Frontline and Digital Operations

In order to grow the Social Innovation Business, we reorganized our operations in April 2016 to enhance frontline functions and accelerate collaborative creation with customers. Frontline personnel are expected to work closely with customers and draw on Hitachi’s technology and know-how to develop new services and facilitate their implementation. We have thus bolstered our efforts to develop the human capital needed to lead the Social Innovation Business as frontline staff.

While many companies understand the need for a digital transformation involving digital technologies like AI and IoT and the utilization of big data, there is a global shortage of data scientists with specialist knowledge of data analysis. So in addition to offering digital solutions by combining our operational technology (OT) and IT—the core strength of our Social Innovation Business—we have also launched an initiative to develop the human capital needed to drive such a digital transformation. We have set a goal of bolstering our Group-wide, worldwide force of data scientists to 3,000 by fiscal 2021 to strengthen our support for customers and to advance the global expansion of our digital solutions business.

### Framework for Developing Human Capital for Frontline and Digital Operations

Before reorganizing our frontline operations in 2016, we established a committee of officers and business unit managers in 2015 to identify the frontline functions, roles, and human capital to be strengthened going forward. Based on these discussions, in 2016 we created a four-phase Social Innovation Business Front Talent Development Program covering everyone from top leaders to on-site staff. The program includes many forms of instruction, including action learning, group training, and e-learning. The first two phases for leaders of Hitachi’s collaborative creation business focus on action learning based on actual projects. Building on these results, the third and fourth phases offer training for all Hitachi Group employees worldwide.

Aiming to further develop and strengthen our frontline and other personnel engaged digital operations, in April 2019, we consolidated our various training institutes into the Hitachi Academy, a new company charged with developing the human capital to drive the digital transformation. The academy will establish a new training system for digital operations and implement measures incorporating on-the-job training to accelerate the global growth of our Social Innovation Business.

### Four-Phase, Social Innovation Business Front Talent Development Program

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Leaders of important projects (40 employees)</td>
</tr>
<tr>
<td>II</td>
<td>Core human capital (120 employees)</td>
</tr>
<tr>
<td>III</td>
<td>Frontline general managers or above (1,000 employees)</td>
</tr>
<tr>
<td>IV</td>
<td>All frontline personnel (42,000 employees)</td>
</tr>
</tbody>
</table>

- Phases I and II: Mar–Sept 2016 Development of leaders of collaborative creation business
- Phase III: Since Oct 2016 Practical training using actual projects
- Phase IV: Since Oct 2016 Building foundations and raising overall standards
- Enhancing all employees’ understanding of the Social Innovation Business
Future Activities in Developing Human Capital for Frontline and Digital Operations

Since the fiscal 2016 launch of the Social Innovation Business Front Talent Development Program, some 1,300 employees have undergone group training in the three years up to fiscal 2018. An additional 42,000 employees have taken e-learning courses that summarize the basic concepts of the Social Innovation Business. The content of the training provided in phases III and IV will henceforth be used to give all human capital in digital operations a common, basic grounding in the Social Innovation Business. Some e-learning courses will be translated into English and Chinese and broadly made available at Group companies worldwide.

Globalizing Management Training

Along with the rollout of global human capital management, we are also globalizing our programs to develop management-level human capital.

We began to thoroughly revise our training of management candidates in fiscal 2015, implementing the Global Leadership Acceleration Program for Key Positions (GAP-K) to accelerate their development. GAP-K helps participants to look at themselves objectively through three modules and to gain a deeper understanding of the Hitachi Group Identity and their own role in maintaining it. They commit themselves to vigorously and fully resolving business issues and challenges with a sense of mission and purpose, share values and goal-oriented thinking while inspiring others, and declare, in their own words, how they will put their skills into practice. Participants also discuss strategies for global business expansion, with special reference to emerging markets, and explore how these strategies can be applied to Hitachi’s existing businesses and further growth. In fiscal 2018, 31 people were selected to participate in GAP-K over a three-month period in Japan and India.

Additionally, Hitachi has held the Global Advanced Program for Leadership Development (GAP-L) in Singapore every year since fiscal 2012. The program mainly targets local human capital with potential for leadership at the respective overseas subsidiaries. It is aimed at fostering a deeper understanding of the Hitachi Group’s global growth and developing the leadership, thinking, and skills needed for such growth. In fiscal 2018, GAP-L was expanded into a biannual program, and 52 leaders from around the world took part.

We also held the Global Leadership Acceleration Program for Managers (GAP-M) and the Ready to Lead (R2L), the standard leadership training courses for general managers and new managers that started in fiscal 2014. In fiscal 2018, around 3,100 people worldwide took part in these courses across our Group. As a result, the total number of participants has exceeded 17,000.

In fiscal 2019, we plan to launch the Global Group Executive Development Course (Global GEC) for new leaders of Hitachi subsidiaries outside Japan. This e-learning course fosters a basic understanding of Hitachi’s management and provides the latest information on relevant topics.

We will continue to cultivate global leaders to guide Hitachi’s business by strengthening and expanding training programs for management personnel.

Number of Participants of Global Management Training Programs

<table>
<thead>
<tr>
<th>(people)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,500</td>
<td>4,000</td>
<td>3,500</td>
<td>3,000</td>
<td>2,500</td>
<td>2,000</td>
</tr>
<tr>
<td>3,500</td>
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<td>2,500</td>
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<td>1,500</td>
<td>1,000</td>
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<td>1,000</td>
<td>500</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Average Amount Invested in Education per Employee

In fiscal 2018 the average amount invested for employee education by Hitachi, Ltd. and 13 major Group companies in Japan was 127,800 yen per employee, an increase of about 8% over fiscal 2017.

Providing Younger Employees with Overseas Experience

Hitachi maintains a broad array of programs to systematically cultivate and secure people who can succeed in global business. To develop the careers of people capable of understanding and adapting to local cultures and lifestyles, we offer a program enabling younger employees to live outside Japan. We have dispatched around 5,000 Group employees over eight years beginning in fiscal 2011, allowing them to take part in more than 80 programs designed to promote understanding of other cultures and to engage in language studies, local field studies, and internships, as well as to provide opportunities to work with local people to resolve social issues. In fiscal 2015, we shifted our focus to a practical, work-related model of overseas postings instead of the former emphasis on language learning and cross-cultural activities. And in fiscal 2019, we moved to encouraging employees to engage in opportunities for leadership training to accelerate the development of employees ready to take on global challenges.

Skills Development of Chinese Employees

The Hitachi Group in China is working to improve the expertise and overall skills of local employees through the Hitachi University curriculum, on-the-job training, and e-learning. The content and timing of the training program is determined scientifically in accordance with employee workplace and job classification. In addition to these programs, in fiscal 2018, the Hitachi Group conducted 60 group training sessions in China to improve and develop the skills of its employees; over 1,000 people participated in these sessions.

Hitachi’s Approach to 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 to think and act for themselves, we are also providing support to create a framework that will capitalize on 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.

In pursuit of becoming a major global player, we are upgrading individual and organizational performance as one of our top priorities. We respect employees’ individuality and personal aspirations in promoting career development and implement 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.

Career Development Management

For Hitachi, the center of career development is the work that employees perform daily in the workplace. Based on 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 their 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 employee 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, spurring individual growth and improving 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 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.

Conducting 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 a Group-wide initiative in Japan. Around 12,600 people have participated in the program so far (as of March 31, 2019), 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.

According to the survey conducted of the participants for fiscal 2018, about 90% of the answers agreed that “H-CDW has been helpful to my career development and work.” Specific responses received include “Reflecting on my inner career reaffirmed my view of career development (working life) and the meaning of the work I do,” “I learned more about myself and began to seriously think about where I want to be 5 or 10 years from now,” “I gained a renewed awareness of the importance of my position and responsibilities,” and “I was able to make concrete plans for my future steps.”

In addition to those programs, Hitachi also offers programs targeting specific age groups, such as career education for younger employees and training for middle-aged or older employees to help them prepare for the changes ahead in their careers. Regarding training for employees aged 50 and over, a survey conducted between October 2017 and March 2019 found that 90% of participants felt that the training had been beneficial. One respondent noted, “I was able to grasp my current situation and look at myself with fresh eyes,” while others said, “It was a good opportunity to rethink my attitude toward work and financial planning” and “I would like to make the most of and nurture my career and strengths.”

“Make a Difference!” Project

Hitachi believes that raising awareness of each and every employee holds the key to achieving the corporate reforms needed today to remain strong 10 years from now. We thus launched a three-year “Make a Difference!” project in fiscal 2015 involving all Group employees to cultivate an “I will” mindset in line with the 2018 Mid-term Management Plan. In fiscal 2015, the first year of the project, we organized a contest for new business and internal-reform ideas with the aim of encouraging employees to think and act independently. More than 600 entries were submitted from around the world. In fiscal 2016, the second year, the contest evolved into one of proposing business plans, as many expressed a desire to actually implement their ideas. We believe this helps employees gain new insights as they put their ideas into action, and the experience can be an opportunity to think on one’s own, make decisions, and see a project through to completion.

Even those applications that did not pass the screening stage were given feedback on how they could be improved to encourage further growth in the applicant.

We received numerous applications from within and outside Japan during the three-year project, including proposals from teams spanning business units and divisions. Some award-winning projects have actually been adopted as in-house pilot programs. Examples include Mobile Subscriber Analytics, a cellphone analytics program that can help carriers acquire or retain customers; and MyLifePal, a healthcare app that not only manages sleep and diet data but can also measure pulse and stress level by analyzing facial images.
In fiscal 2019, we launched “Make a Difference! 2.0” in line with the 2021 Mid-term Management Plan that retains the focus on cultivating an “I will” mindset and the framework of the business plan contest while seeking to expand the number of participants who have a strong desire to rise to stimulating challenges.

### Number of Applications for the “Make a Difference!” Contest

<table>
<thead>
<tr>
<th></th>
<th>FY 2015 (idea contest)</th>
<th>FY 2016 (business plan contest)</th>
<th>FY 2017 (business plan contest)</th>
<th>FY 2019 (business plan contest)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>515</td>
<td>315</td>
<td>251</td>
<td>566</td>
</tr>
<tr>
<td>Outside Japan</td>
<td>77</td>
<td>49</td>
<td>115</td>
<td>175</td>
</tr>
<tr>
<td>Total</td>
<td>633</td>
<td>364</td>
<td>366</td>
<td>741</td>
</tr>
</tbody>
</table>

Note: The contest was not held in fiscal 2018 while the project was under review. It was resumed in fiscal 2019.

Survey results are sent directly to immediate section and department heads so that they can confirm the survey results and communicate with team members. This can lead to concrete initiatives through the PDCA cycle, further enhancing the level of engagement within Hitachi as a whole.

* 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.

### Diversity and Inclusion

#### Statement on Diversity and Inclusion

**Diversity and Inclusion Open Our Future**

Diversity is the wellspring of our innovation and our growth engine. Hitachi regards personal differences such as—gender, nationality, race, religion, background, age, and sexual orientation—as well as other differences, 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 a diverse workforce, strong teamwork and broad experience in the global market, we will meet our customers’ needs.

Since fiscal 2013, we have been conducting the annual global employee survey, Hitachi Insights, as a way of measuring employee engagement.*1 In September 2018, the survey was administered for the sixth time. Around 210,000 employees worldwide were sent the survey in one of 14 different languages, and roughly 180,000 responses were received.

According to the aggregate results, the overall rating has improved for the fifth consecutive year. Scores were particularly high for “pride in your company,” “delegation of authority,” and “management of supervisors,” suggesting that employees are proud to be part of a company that is aiming to digitally transform the social and business infrastructure and advance the Social Innovation Business to become a global leader. On the other hand, scores for “resources and support” remained low from fiscal 2017, although there was a slight improvement. We will continue to address this issue through work-life reforms, introduction of new tools, and deepening of communication with employees.
Roadmap for Developing Diversity Management

**Phase 1:** Support for women’s career advancement

- Introduce, expand support systems for work-life management

**Phase 2:** From “women” to “diversity”

- Support work-life balance; support women’s career advancement
- Promote diversity awareness; reform work environment
- Reduce overtime; review workstyles
- Enhance Hitachi Group partnerships

**Phase 3:** Diversity promoted as a management strategy

- Accelerate promotion throughout Group, including outside Japan
- Promote time-and location-free work
- Strengthen senior management commitment

2000 FF Plan**1**

2006 Diversity Promotion Project

2009 Diversity & Inclusion Development Center set up

2012 “Diversity for the Next 100” launched

**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 of Hitachi, Ltd.

Hitachi, Ltd. and 15 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.

Alongside diversity management promotion within each Group company according to its individual challenges and circumstances, we are also accelerating Group-wide global initiatives such as the Global Women’s Summit.

We also hold regular meetings to exchange opinions on diversity with labor unions.

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**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 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. From fiscal 2018, we began working to more effectively share our diversity promotion policies across the entire Hitachi Group, with employees around the world coming together as one to accelerate the initiative.
Expanding the Scope of Diversity Management

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

Deepening Diversity Management

**Step 1** Integration
- Minorities integrated into existing organizational culture, systems, methods, customs

**Step 2** Legal Compliance
- Discrimination banned through force of law (Japan’s Equal Employment Opportunity Act)

**Step 3** Respect for Diversity
- Companies, organizations educate staff about discrimination so differences are actively embraced, respected

**Step 4** Competitive Advantage
- Diversity promoted as management strategy
- Evolution from respect for differences to organizational reform as part of strategy to forge varied strengths into competitive advantage

Hitachi Group Diversity Structure

Advisors:
- External directors

Advisory Committees:
- 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 business units

Hitachi Group Diversity Development Council
- Section managers in charge of personnel affairs and labor administration in Group companies, business units, and business groups/sites

Organizations and projects at companies and business groups/sites to advance diversity (including issues related to women in workplace)
- Around 50 projects

**KPIs to Develop 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. We will continue to promote this goal to ensure that diverse views and values will 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 2020.1 We are also working to promote more female employees to managerial positions, aiming to double the
number of female managers to 800 by fiscal 2020 compared with fiscal 2012. These efforts demonstrate our commitment both internally and to the world to further advance women in the workplace and 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 division and to set numerical targets for each division, 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 supervisory level and above, and the Roundtable Conference with Female Outside Directors. We intend to create an environment where as many women as possible are able to optimize their potential in management positions. Alongside these efforts, we are working to change the mindset of managers and male staff regarding gender parity and examining our working style as a whole with the aim of transforming our corporate culture.

Employee compensation is set according to each individual’s roles and achievements, with no divisions or differences based on gender or age.

*1 As another goal, Hitachi aims to achieve a 10% ratio of non-Japanese executive and corporate officers by fiscal 2020.

Goals for Hitachi, Ltd. (KPIs)

- Achieve a 10% ratio of both female and non-Japanese executive and corporate officers by fiscal 2020 (new goal established in fiscal 2017).

- Increase the number of female managers in Japan to 800 by fiscal 2020 (twice the number at the end of fiscal 2012; goal revised in fiscal 2017).

Hitachi’s Diversity Goals

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

<table>
<thead>
<tr>
<th></th>
<th>June 2017</th>
<th>June 2018</th>
<th>June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of female executive and corporate officers</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Ratio of female executive and corporate officers</td>
<td>2.4%</td>
<td>2.6%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Number of non-Japanese executive and corporate officers</td>
<td>3</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Ratio of non-Japanese executive and corporate officers</td>
<td>3.7%</td>
<td>6.4%</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

Ratios for Male/Female and Japanese/Non-Japanese Directors (Hitachi, Ltd.) (as of June 2019)

<table>
<thead>
<tr>
<th>Item</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
<th>Japanese</th>
<th>Non-Japanese</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td>11</td>
<td>9</td>
<td>2</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Ratio (%)</td>
<td>81.8%</td>
<td>18.2%</td>
<td>63.6%</td>
<td>36.4%</td>
<td></td>
</tr>
</tbody>
</table>
### Basic Salary and Total Individual Compensation for Female and Male Managers at Hitachi, Ltd. (Fiscal 2018)

<table>
<thead>
<tr>
<th>Basic Salary</th>
<th>Total Individual Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 : 103</td>
<td>100 : 105</td>
</tr>
</tbody>
</table>

Note: Benefits for men and women are identical. Differences between male and female salary and compensation are due to age distribution, grade distribution, etc.

### Global Women’s Summit

In October 2018, we hosted our third Global Women’s Summit with the theme “Leading Through Diversity & Inclusion.” Held in Singapore, the event was attended by around 170 female employees from Group companies in 17 countries and regions around the world, from junior staff to executives, and featured a keynote speech by an external speaker and messages from President and CEO Toshiaki Higashihara and outside director Cynthia Carroll. There was also a lively exchange of opinions at a panel discussion among female leaders from the Hitachi Group, and three different workshops on unconscious bias, career development, and leadership. A subsequent networking reception gave the participants an opportunity to share stories about their careers and the challenges at their workplace and deepen mutual relationships. At this Global Women’s Summit, not only did the participants realize a range of challenges, but they also gained a better understanding of the Hitachi Group’s firm commitment to diversity and inclusion initiatives and of diversity management by the executives. The next summit, the fourth, is scheduled to be held in Tokyo in fiscal 2019.

### Recruiting Local Human Capital for Senior Management Positions

The railway business is an important business field for which growth is expected in overseas markets, particularly Europe and Asia. To further solidify our position in this industry, we shifted the primary site of our railway business to London in 2014 and built a global operations framework managed by Hitachi, Ltd. and several other Group companies, with 40% of senior management positions held by European personnel. The CEO of global operations is a London local who previously served as president of a Group company in the United Kingdom and has since become an executive officer at Hitachi, Ltd. as well. Our railway business is a crucial one, driving Hitachi's growth, and we have grown it steadily through M&A and other strategic activities.

### Global Recruiting and Globalizing Human Capital

As a means of developing markets worldwide, we have been accelerating the globalization of human capital in Japan through three initiatives: (1) recruiting “global business personnel” who can promote global operations, (2) providing younger Japanese employees with experience outside Japan, and (3) providing globally unified management training.

Given the globalization of our business, our hiring activities are designed to 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 in employing such personnel is to attract those who are eager to build their foreign language skills and relish the challenge of working in different cultures, social settings, and work environments.

### 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. We have also worked to expand the range of employment opportunities for people with disabilities, coordinating with special subsidiaries to develop new positions for such individuals in IT—specifically, robot process automation (RPA). As a result, as of June 2019 the employment ratio of people with disabilities was 2.26% at Hitachi, Ltd.*1 and 2.33% for the entire Group in Japan. Both of these figures exceed Japan’s legally required employment rate of 2.2%. We will maintain our Group-wide drive to hire more people with disabilities.

*1 Includes two special subsidiaries and 17 related Group companies.
Human Capital

Employment of People with Disabilities and Employment Ratio (Hitachi, Ltd.*1)

*1 Includes special subsidiaries and related Group companies. (Two special subsidiaries and 17 related Group companies in fiscal 2019.)

*2 The legally required employment rate was 1.8% up to fiscal 2012, 2.0% between fiscal 2013 and 2017, and became 2.2% in fiscal 2018.

Notes:
• Data compiled in June 1 of each fiscal year.
• The employment ratio is calculated according to methods prescribed in the relevant laws.

B-BBEE Initiatives in South Africa

As Hitachi expands its business in South Africa, it pursues activities aligned with the country’s Broad-Based Black Economic Empowerment (B-BBEE)*1 policies to create employment and economic development. As of the end of fiscal 2018, Hitachi Vantara has achieved a B-BBEE rating of level 4, while Hitachi Construction Machinery Southern Africa has reached level 8.

*1 B-BBEE: Companies and organizations in South Africa are scored on their B-BBEE initiatives and contributions and rated on a scale from level 1 (highest) to 8 or as being “non-compliant.”

Work-Life Management

Hitachi’s Work-Life Management Approach

The aim of Diversity & Inclusion is to maximize our employees’ performance, and to enhance our organizational capabilities as well as to create new synergies, thereby improving productivity and expanding our business. It is necessary to have a comfortable working environment that embraces flexible and diverse workstyles, allowing our diverse workforce to perform at their best.

Hitachi has built on its work-life balance initiative, which promoted a balanced lifestyle, and now promotes work-life management, which encourages employees to proactively take charge of improving the quality of both their work and private lives. We believe that practicing work-life management will enrich employees’ work and private lives, enhance professionalism and build personal character, resulting in both individual and organizational growth over the long term.

B-BBEE Initiatives in South Africa

As Hitachi expands its business in South Africa, it pursues activities aligned with the country’s Broad-Based Black Economic Empowerment (B-BBEE)*1 policies to create employment and economic development. As of the end of fiscal 2018, Hitachi Vantara has achieved a B-BBEE rating of level 4, while Hitachi Construction Machinery Southern Africa has reached level 8.

*1 B-BBEE: Companies and organizations in South Africa are scored on their B-BBEE initiatives and contributions and rated on a scale from level 1 (highest) to 8 or as being “non-compliant.”
With the decline in the working-age population due to low birthrates and aging, as well as workers’ diversifying needs, work-life reform is a pressing issue across all of Japan. We too are striving to realize our vision of Hitachi’s future by promoting work-life reform.

**Framework for Work-Life Reform**

Under the Hitachi Work Life Innovation initiative, labor and management at Hitachi, Ltd. work together to realize work-life reform. In the 2018 spring labor-management negotiations, it was decided to promote time- and location-independent working practices, and we are moving forward creating systems and working environments in which employees can continue producing results while maintaining work-life balance.

In order to put work-life reform into practice, it was determined that reform of administrative operations at the company’s headquarters was necessary. Based on requests from business units and departments and other considerations, Hitachi created three subcommittees to review both its headquarters’ business operations and processes that affect the whole company: the Budget Innovation Subcommittee, the Internal Audit Innovation Subcommittee, and the Meeting/Reporting Innovation Subcommittee.

In 1999, Hitachi implemented telecommuting and satellite office work programs. Today, 70% of all full-time, regular employees are covered, including managerial-level employees, flex workers, and career-track employees who need to balance work with child care or nursing care. The programs do not require the applicants to come into the office for a certain amount of time, nor are there any limitations on the number of times for doing so, allowing employees to work from wherever they need to be for child care, nursing care; or, if posted away from their families, they can work from their family home. We are also rolling out location-free work for managerial-level employees, allowing them to perform their duties from anywhere when approved by the company. Security environments equivalent to the company’s are being prepared at multiple business sites in the Tokyo metropolitan area as we expand our satellite office facilities for the use of business units, departments, and Group companies.

**Work-Life Reform Initiatives**

Hitachi, Ltd. is currently addressing work-life reform in three areas: improving work processes, augmenting management, and promoting time- and location-independent work practices.

Regarding improving work processes, the Meeting/Reporting Innovation Subcommittee has reduced meeting time by about 60% by cutting down on the number and duration of regular meetings attended by business units and general meetings. It has also begun using a support tool designed to improve meeting efficiency and optimize meeting durations and numbers of participants.

On augmenting management, the company is increasing operational transparency using in-house consultants and an experience-oriented approach to discover issues. Countermeasures are taken and results are being produced. In fiscal 2017, the experience-oriented approach was applied to about 80 teams prone to excessive working hours, resulting not only in fewer overtime hours but also improvements in such areas as collaboration among team members and work instructions from team leaders to staff. In fiscal 2018, the initiative was scaled up to about 260 teams. The company is also improving its attendance management system for compliance enforcement.

As for promoting time- and location-independent work practices, the company is promoting use of its telecommuting program and has distributed around 30,000 IT tools such as headsets, mic speakers, and LCD monitors to create environments where the in-house wireless local area network (LAN) can be accessed safely, as well as holding paperless and online meetings. Since 2016, we have been expanding the number of our satellite offices, and as of March 31, 2019, we have 49 business sites used by more than 50,000 people from across the Group each month.

Additionally, in July 2018, some 2,750 employees participated in Telework Days 2018, a national event sponsored by the Ministry of Internal Affairs and Communications to promote work-life reform.
Work-Life Innovation Initiatives at Hitachi, Ltd.

<table>
<thead>
<tr>
<th>Items</th>
<th>Key components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top commitment</td>
<td>• Send top commitment message within company</td>
</tr>
<tr>
<td>Improving work processes</td>
<td>• Reform headquarters’ administrative operations</td>
</tr>
<tr>
<td></td>
<td>• Impose restricted-hour rules for outgoing emails</td>
</tr>
<tr>
<td>Augmenting management</td>
<td>• Increase operational transparency using in-house consultants (experience-oriented approach)</td>
</tr>
<tr>
<td></td>
<td>• Improve attendance management system for compliance enforcement</td>
</tr>
<tr>
<td>Promoting time- and location-independent work practices</td>
<td>• Expand telecommuting program to allow locations where employees need to be for child care, nursing care, etc., as well as their homes</td>
</tr>
<tr>
<td></td>
<td>• Roll out location-independent work for managerial-level employees</td>
</tr>
<tr>
<td></td>
<td>• Expand satellite offices (49 sites as of March 2019, with over 50,000 monthly users across the entire Hitachi Group)</td>
</tr>
<tr>
<td></td>
<td>• 2,750 people participating in Telework Days</td>
</tr>
<tr>
<td>Companywide promotion</td>
<td>• Put up posters, create intranet site</td>
</tr>
<tr>
<td></td>
<td>• Share best practices by giving awards</td>
</tr>
</tbody>
</table>

Work-Life Innovation Initiatives at Hitachi, Ltd.

<table>
<thead>
<tr>
<th>Enhancing Work-Life Management Support Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frameworks and Systems</td>
</tr>
</tbody>
</table>

Since the 1990s, Hitachi, Ltd. has been introducing and expanding an array of programs to support work-life balance, striving to create a more friendly working environment.

Following the introduction of our Allowance for Balancing Child Care and Work in fiscal 2016, in fiscal 2018, we launched “Hokatsu Concierge,” the information-providing service supporting the search for a nursery. With the rise in nursery schools’ waiting lists being a social issue, by providing this kind of support, the aim is to smooth the path for employees return from maternity and parental leave and create an environment where work and parenting can be balanced with peace of mind.

Additionally, with Japan’s society continuing to age, it is expected that more employees will be involved in caring for their elderly family members. We have, therefore, declared the years from fiscal 2018 to fiscal 2020 a period to focus on reinforcement of work and nursing care balance support, and are expanding programs. In fiscal 2018, we established a new “Points for Balancing Nursing Care and Work” system strengthening financial support for employees balancing work with nursing care. We also conducted awareness surveys and work-life balance seminars to encourage employees to prepare for this issue, emphasizing the importance of balancing work with nursing care and conveying practical know-how on the topic.

Work-Life Management Support System at Hitachi, Ltd.

Child-Care Support System

<table>
<thead>
<tr>
<th>For women</th>
<th>For men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pregnancy</td>
<td>Fertility treatment leave (1 year total)</td>
</tr>
<tr>
<td>Childbirth</td>
<td>Leave for prenatal medical appointments, pregnancy problem leave, etc.</td>
</tr>
<tr>
<td>Child-care leave (up to 3 years, until the child completes the first grade of elementary school; can be taken on nonconsecutive days)</td>
<td>Paternity leave (5 days total)</td>
</tr>
<tr>
<td>Return to work</td>
<td></td>
</tr>
</tbody>
</table>

Nursing-Care Support System

| Nursing-care leave (up to 1 year can be taken on nonconsecutive days)   |
| Shorter working hours: Work from home                                   |
| Nursing-care leave (5 days per year)                                    |
| Family-nursing leave                                                   |
| Child-nursing leave                                                     |
| Half-day leave (unlimited)                                              |
| Points for Balancing Nursing Care and Work (up to 100,000 yen per person receiving care per year) |

*Cafeteria Plan* (child-care and nursing-care menu)

*1 Fictive 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.”*
Return and Retention Rates After Maternity and Child-Care Leave (Hitachi, Ltd.)

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return rate (%)</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>94.3</td>
</tr>
<tr>
<td>Female</td>
<td>97.4</td>
</tr>
<tr>
<td>Retention rate (%)</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>90.9</td>
</tr>
<tr>
<td>Female</td>
<td>99.4</td>
</tr>
</tbody>
</table>

In-House Child-Care Centers

Hitachi, Ltd., in collaboration with its labor union, has set up in-house child-care facilities as a way to support employees in balancing work with child care.

**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

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 benefits that include housing support, such as dormitories, company housing, and a housing allowance system, as well as group insurance, a consolation payment system, internal sales, cultural and physical education activities, and employee cafeterias.

Full-time, regular employees of Hitachi, Ltd. also enjoy an asset-building savings program, an employee stock ownership program, a Cafeteria Plan program, allowances for balancing work with child and nursing care, and retirement and pension plans.

The Cafeteria Plan allows employees to select the benefits they receive, depending on individual lifestyles and needs, from a list of options, such as skills development, child care, nursing care, health promotion, and donations. Employees can use their 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.
Creating Friendly Working Environments in China

In fiscal 2018, Hitachi (China) supported its employees’ work-life balance with leisure activities such as outdoor experiences, health seminars, photography contests, and a healthy walking meet. Hitachi (China) has also signed a female employee special protection agreement to protect its female employees. The agreement is reviewed every three years to take current circumstances into account, and has resulted in the enhancement of facilities for women based on the agreement, such as building a milk expression room for lactating female employees. In addition to this, the company is developing systems such as medical relief grants and compassion fund to help employees facing difficulties.

Occupational Health and Safety

Basic Principle 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, which is shared by all Hitachi Group companies around the world. Employees work together to create healthy, safe, and secure work environments that aim to be accident free.

Hitachi Group Health and Safety Policy

“Health and Safety Always 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.

Establishing the Safety Management Division

In April 2019, aiming to become an organization whose employees spontaneously promote safety activities with the direct participation of management, Hitachi, Ltd. established the Safety Management Division, which reports directly to the president on matters of safety management. This division will hold an annual Safety Strategy Congress, attended by safety officers from each Group company and representatives from each division. The congress will set budgets and objectives for companywide safety strategy and review the structural situation of the Hitachi Group’s safety management systems, making them an opportunity for top management to share its own commitment to safety as the highest priority. The Safety Strategy Promotion Council, attended by safety department managers from each business unit and Group company, is held monthly and examines the promotional frameworks for safety activities and education in each division alongside standards to be shared across the Group.

Revised November 2013
Hitachi views occupational health and safety as vital employment conditions for advancing its business. Based on the policy above, to prevent work-related accidents among our roughly 300,000 Group employees worldwide, we set and apply our own safety standards to be observed at manufacturing sites around the globe, where the risks of work-related accidents are high, as well as advancing health and safety measures tailored to the operations of individual companies. In particular, since the establishment in April 2019 of the Safety Management Division, we have worked to improve our safety measures in terms of both policy, by examining and improving our risk assessment frameworks, and technology, by using IT and digital technology to prevent accidents.

We had already introduced the Hitachi Group Key Safety Management Designation System, which promotes the improvement of safety measures and reinforcement of safety activities at Hitachi Group companies and business sites that have experienced serious work-related accidents. Under the leadership of top executives, these companies and business sites take on both management-driven and bottom-up initiatives to formulate specific plans, and the progress of these plans is monitored by safety officers, who also lead initiatives to prevent recurrence.

Additionally, because the risk of accident is higher for workers not yet accustomed to their work or environment, employees and temporary workers receive individual health and safety training and on-the-job training before work begins, to help prevent accidents by ensuring that they understand work procedures and dangers. At the same time, on occasions of business restructuring, we share the details of the health and safety management frameworks and initiatives of the organizations to be merged in advance, and, paying all due respect for the safety cultures on both sides, ensure that safety is always preserved during the execution of a smooth business launch.

Sharing and Using Information to Prevent Accidents

Since 2012, the Hitachi Group Health and Safety Portal System has allowed every Hitachi Group company in Japan to track the occupational health and safety performance of the entire Hitachi Group.

When a work-related accident occurs in Japan, depending on its level, the results of analysis on its causes and examples of countermeasures are registered in the system and shared with the entire Group as part of the knowledge base. Know-how gained in this way is used globally. By analyzing from many angles the detailed information about accidents gathered in the system, similar accidents can be prevented. In 2014, we also began surveying the number of accidents outside Japan in order to grasp the global situation regarding accidents. We intend to expand the use of the Hitachi Group Health and Safety Portal System globally in future.

Since 2018, in order to promote the management-driven reinforcement of Group-wide occupational health and safety activities, the state of occupational health and safety management has been reported regularly to the Senior Executive Committee and meetings of business unit and Group company presidents.

Additionally, the Safety Strategy Congress for safety officers from each Group company and representatives from each division has so far seen around 350 attendees in all. Activity promoters...
from all areas have shared information and exchanged opinions about policy details, allowing the congress to serve as a forum for discussion of Group-wide initiatives.

**Actions and Achievements**

In Japan, a health and safety commission—composed of business owners, labor union officials, and employees—is convened at each business site every month to discuss and share information related to such issues as work-related accident cause analysis and countermeasures and health and safety activities in light of the situation regarding employees who have taken sick leave.

This initiative allowed us to achieve zero fatal work-related accidents worldwide in 2018, but we have not yet eliminated accidents altogether. Taking an honest view of our present situation, we are continuously striving to improve our safety management system, making use of external consultants to bring in objective, third-party perspectives, improving our ability to determine the cause of accidents, and reviewing our risk assessments.

**Occupational Accident Frequency Rate**

![Graph](image)

**Notes**: 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 251 Group companies in 2014; for 240 Group companies in 2015; for 200 Group companies in 2016; for 201 Group companies in 2017; and for 188 Group companies in 2018.

**Hitachi Group’s Global Safety Figures (Occurrence Rate*)**

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>0.41</td>
<td>0.58</td>
<td>0.58</td>
</tr>
<tr>
<td>Central and South America</td>
<td>0.27</td>
<td>0.51</td>
<td>0.51</td>
</tr>
<tr>
<td>Europe</td>
<td>1.06</td>
<td>1.20</td>
<td>1.20</td>
</tr>
<tr>
<td>India</td>
<td>1.0</td>
<td>1.15</td>
<td>1.15</td>
</tr>
<tr>
<td>China</td>
<td>1.59</td>
<td>1.53</td>
<td>1.53</td>
</tr>
<tr>
<td>Asia (excluding India, China, and Japan)</td>
<td>5.43</td>
<td>4.41</td>
<td>3.34</td>
</tr>
<tr>
<td>Oceania</td>
<td>39.07</td>
<td>24.41</td>
<td>21.94</td>
</tr>
<tr>
<td>Africa</td>
<td>17.26</td>
<td>9.93</td>
<td>11.76</td>
</tr>
<tr>
<td>Overseas total</td>
<td>7.76</td>
<td>7.42</td>
<td>7.43</td>
</tr>
<tr>
<td>Japan</td>
<td>1.57</td>
<td>1.85</td>
<td>1.64</td>
</tr>
<tr>
<td>Global total</td>
<td>3.95</td>
<td>4.22</td>
<td>4.20</td>
</tr>
</tbody>
</table>

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

**Approach to Improving Employee Health**

Hitachi believes that health is the foundation for employees being able to work with energy and peace of mind. The basic principle of the Hitachi Group Health and Safety Policy, shared by all Group companies globally, is that “Health and Safety Always Comes First.” Based on this principle, we strive as one to create working environments that allow workers to do their jobs without anxiety over their mental or physical health. In particular, within Japan, we are promoting support for identifying employees struggling with physical and mental issues, not just work-related but also private, and work with the Health Insurance Society to promote the individual support provided to each employee.
Framework for Promoting Health and Productivity Management

In Japan, occupational healthcare workers, human resources divisions, and the Health Insurance Society work together to promote 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 occupational healthcare personnel. The center promotes occupational healthcare activities unified at the regional level. In other location, occupational doctors and nurses work in cooperation with human resources divisions to maintain and improve the health of employees.

Additionally, Hitachi Group occupational healthcare workers and human resources officers provide opportunities for the qualitative improvement of occupational healthcare activities and the human capital development of occupational healthcare workers at all sites by regularly holding meetings, study groups, and training sessions to hold debates and report research results on the theme of maintaining and improving the health of employees.

Raising Health Awareness in Conjunction with Work-Life Reform

Hitachi is conscious of the importance of employee health and the health of their families as the foundation of employee self-development in both their private and working life. This thinking has been refined within the concept of our “Hitachi Work Life Innovation” activities so that both the company and its employees can work to implement work-life management and improve their productivity with shared awareness of the importance of health.

Initiatives Toward Improving Employee Health

At each Hitachi Group company in Japan, the health maintenance of employees is supported through the provision of health maintenance measures based on periodic medical exams and other examinations to prevent serious disease, as well as medical interviews and advice to prevent mental and physical disorders among employees working long hours.

We are also taking steps to improve health awareness through consultations and guidance by occupational healthcare workers that can help relieve employees’ health concerns and encourage regular exercise.

In addition, we are proactively implementing the stress checks specified by law at all business sites in Japan—even those employing fewer than 50 employees, which are only 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, and human resources divisions to improve work environments. In combination, these efforts are expected to help prevent mental health issues and revitalize workplaces.
Addressing Mental Health

Hitachi has established measures addressing mental health to be taken by employees, workplace managers, occupational healthcare workers, and human resources divisions, and is working to spread basic mental health knowledge and understanding of ways to deal with stress, as well as to reinforce the ability of those in each position to respond to these issues.
Human Capital

Health Promotion Initiatives for Employees and Their Families

To encourage healthy lifestyles among employees and their families, the Hitachi Health Insurance Society has established a portal site for individuals entitled “My Health Web.” By providing information on health exam results and a system of incentive points allowing employees to receive rewards for entering health-related activities, the site raises health awareness, helps employees understand the state of their own health, and offers a range of support for adopting a healthier lifestyle.

Promoting Collabo-Health*

As well as carrying out individual health improvement initiatives according to their own unique characteristics, Group companies in Japan strive to maintain and improve the health of employees by taking full advantage of the services offered by the Health Insurance Society. Initiatives are evaluated on an annual basis, with recognition of the most accomplished companies and business sites within the Group heightening the motivation among business owners and employees to pursue such activities.

We are also actively engaging with the Certified Health and Productivity Management Organization Recognition Program promoted within Japan. In February 2019, the program granted recognition to 21 Group companies in the large enterprise category and 27 in the SME category.

* Collabo-Health: A concept involving insurers like the Health Insurance Society proactively working with business owners, with a clear division of labor and a good working environment, to effectively and efficiently improve the health of insured persons (employees and their families), including with preventive strategies.
Encouraging Employees to Receive Medical Exams and Vaccinations

In Japan, Hitachi has established a system offering financial support for medical exams by the Health Insurance Society, and encourages employees aged 35 and over in particular to receive the general physical and other exams specified in law, as well as targeted screening based on their age, in order to promote early diagnosis and treatment.

Furthermore, as a response to metabolic syndrome, in addition to special health guidance made compulsory for the Health Insurance Society, we actively promote policies to prevent and control conditions such as diabetes, cerebral strokes, and myocardial infarctions. Additionally, each year on May 31, World No Tobacco Day, we run an anti-smoking campaign aimed at employees.

To prevent employees from infectious diseases at overseas destinations, the Health Insurance Society has established financial support frameworks for vaccinations against conditions such as hepatitis A, tetanus, and cholera, as well as flu vaccinations for employees and their families to prevent the flu spreading in workplaces. As an initiative to prevent employees falling ill or suffering from serious conditions, we encourage vaccination in the early stage of each illness’s spread. These programs are used by around 120,000 employees and family members each year.

Medical Exam and Screening Attendance Rates

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>General physical exam*1</td>
<td>78.1%</td>
<td>78.5%</td>
<td>79.3%</td>
</tr>
<tr>
<td>Breast cancer screening*2</td>
<td>50.0%</td>
<td>51.1%</td>
<td>53.2%</td>
</tr>
<tr>
<td>Uterine cancer screening*3</td>
<td>35.3%</td>
<td>35.6%</td>
<td>37.1%</td>
</tr>
<tr>
<td>Stomach cancer screening*4</td>
<td>78.4%</td>
<td>80.7%</td>
<td>80.6%</td>
</tr>
<tr>
<td>Intestinal cancer screening*4</td>
<td>79.0%</td>
<td>81.4%</td>
<td>81.3%</td>
</tr>
<tr>
<td>Lung cancer screening*5</td>
<td>93.2%</td>
<td>92.9%</td>
<td>93.2%</td>
</tr>
</tbody>
</table>

*1 Men and women aged 35 and over.
*2 Women aged 30 and over.
*3 Women aged 25 and over.
*4 Men and women aged 30 and over.
*5 In FY 2016-2017, men and women aged 50 and over; from FY 2018, changed to men and women aged 35 and over.

Health and Safety Considerations for Nuclear Businesses

In 2008, Hitachi began working with the world’s leading nuclear power plant vendors to develop voluntary, private principles of conduct covering the exportation of nuclear power plants and reactors. The “Nuclear Power Plant and Reactor Exporters’ Principles of Conduct” were formally revealed on September 15, 2011. They were adopted by all involved in its development, and we have also indicated our adherence to them.

Regarding our employees and other persons employed at nuclear sites under the Hitachi Group umbrella, we perform exposure management based on our internal management systems, and perform evaluation of radiation damage (dose management).

For health management in particular, our management indicators for radiation exposure are stricter than those set by Japan’s Ministry of Health, Labor, and Welfare. We monitor physical and mental health along with exposure dose even for employees of partner companies, and an occupational doctor from Hitachi visits sites to perform examinations and offer health advice.

Nuclear Power Plant and Reactor Exporters’ Principles of Conduct