

With Our Colleagues

We engage in various efforts to enable various personnel to fully demonstrate their abilities just as they like.

We take measures to develop human resources who can realize "the heart of HiKQ."

1. Our basic philosophy on developing human resources and basic principle for the present fiscal year

Our basic philosophy is to train human resources who "learn on their own, think on their own, and act on their own."

The basic principle for the present fiscal year presents the following four points in an attempt to realize HiKQ innovation:

- I. Training human resources able to create new business
- II. Training human resources with the ability of performance
- III. Training human resources able to activate the organization
- IV. Training human resources able to conduct their basic tasks securely

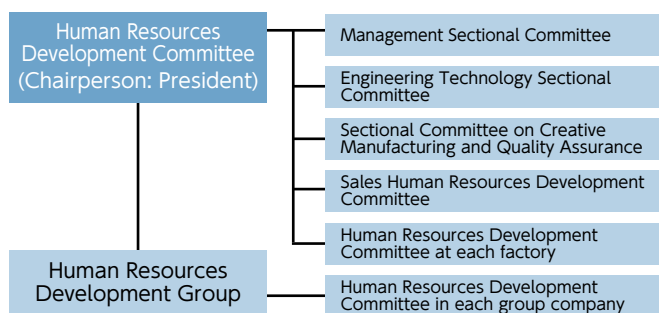
2. Training of global human resources

The training of human resources geared toward expanding global business is also urgent task for us. As a measure for that, we conduct overseas business training and overseas training of young people under a program of Hitachi, Ltd. We will also devote more energy to stepping up our employees' language abilities, including English.

3. Reinforcing of management abilities

For judging the ability to manage product development, we refer to the table of ability levels of project leaders (see [Table 2]). For example, the ability to engage stakeholders including customers achieved an overall average of 2.9 for managers and higher-level employees for fiscal 2010, marking a rise by about 0.1 from the preceding year. For fiscal 2011, we will target an even higher level.

■ Human resource development system



*Roles of the second tier committees of the Human Resources Development Committee
 - The sectional committees are for common or intersectional training measures to the whole corporation.
 - The Sales Human Resources Development Committee and those committees listed below are responsible for implementing training measures in the each section.

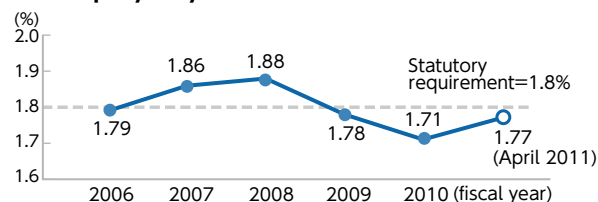
■[Table 2] Table of ability levels of project leaders (ability to engage stakeholders)

Description of indicators for evaluating ability to engage customers	
Level 5	Has a long-standing relationship with customers and can make continuous proposals for enhancing customer value.
⋮	⋮
Level 1	Has not analyzed customers and is passive.

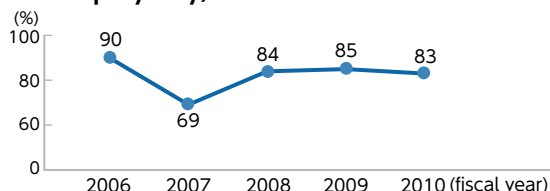
Employment of diverse human resources

In order to "respect human rights and develop while contributing to the creation of a sustainable society," we declare in our corporate credo that "we respect the diversity, character, and individuality of all employees, and provide a mentally and physically rewarding workplace environment." Based on that, we promote the employment of the people with disabilities and the reemployment of elderly colleagues. Regarding the employment of the people with disabilities, we recruited six new employees in fiscal 2010 and are promoting positive employment. We work on an ongoing basis to increase employment opportunities toward achieving the legally mandated ratio of 1.8 percent. Regarding the employment of the elderly, we introduced a reemployment program that extends the employment of retired colleagues to 65 years old at most, starting in fiscal 2005. We convey the skills of experienced personnel to younger personnel while providing a rewarding workplace.

■ Employment ratio of people with disabilities (the Company only)



■ Employment ratio of elderly colleagues reemployed (the Company only)



Voice



Madoka Kubara
Sales Department III,
Broadcasting &
Video Systems Sales Center

I think that, for Japanese corporations, it is urgent task to train global human resources. I joined the "speaking ability enhancement program" organized by the company in fiscal 2010. At first, I had found this program to be a heavy burden, given my sales activities and preparation of a paper on the first year training. But I thought that this was "a skill necessary for me in the future" and tackled the challenge.

Voice



Yuki Takasugi
Quality Assurance
Department,
Hamura Works

I am in charge of the acceptance inspection of mechanical parts used in communication equipment. My senior employees are very kind and have taught me how to do my job, so I find my work very worthwhile and remain motivated. Therefore, I enjoy my work very much. I will learn my job as soon as possible and do my best to become a full-fledged worker.

Efforts for work-life balance

We have been working to enhance and expand our programs for assisting in child rearing and nursing care, including extended leave and short-time work programs. Moreover, we have been making various efforts since fiscal 2010, including review of working style and the reduction of long-time work, in an attempt to ensure harmony between work and life from even more diverse viewpoints. The specific efforts are as follows:

- (1) Top messages about the work-life balance
- (2) Reforms in corporate culture (the "-san call campaign" addressing each other with "-san" instead of the job title)
- (3) Increasing business efficiency (promoting the conversion of PCs into multiple monitors)
- (4) Reducing work hours through encouraging to leave at closing time and setting a Sunday per month for contributing to one's family, community or oneself
- (5) Establishing "Life Revolution 17" (a working group for work-life balance promotion)
- (6) Encouraging taking leave for child rearing or nursing care by loaning notebook PCs
- (7) Organizing factory visits by families

Community contribution "the third Sunday contribution," a counseling session for terrestrial digital broadcasting, and a charity sales exhibition by YAGI ANTENNA INC.



■ Numbers of employees taking leave for child rearing and of participants in the short-time work program (our company only)



Safety and hygiene activities

Our safety and hygiene activities are based on the principle of "protecting safety and health comes before everything else," and involve taking efforts concerning safety and hygiene with all other members of the group as one unit. More specifically, we set a safety promotion month and educate each and every employee, including a "statement of one's own determination about safety" and "attaching a transport safety sticker."

We also conduct the "dispatch of employees to external training" and "exchange safety tours among factories" along with other sessions, in an attempt to enhance the "observant eye" level of safety and hygiene representatives.

With safety and hygiene remaining as one of our most important challenges in management, we will continue working to build a safe and healthy workplace.



Comment exchange session after an exchange tour among factories

Disaster prevention measures

The Great East Japan Earthquake of March 11 was an unprecedented earthquake. After the earthquake struck, we launched "Company-wide Emergency Headquarters" led by our president. We began by ensuring the safety of employees, gauging the extent of damage, and vigorously promoted measures to secure safety, the restoration of equipment, and customer support. We provided the particularly damaged Sendai Branch Works and Tohoku Branch with emergency goods support, personnel support, and other forms of assistance from works and offices to enable both facilities to restore their functions soon.



A thank-you note from employees of the Sendai Branch Works damaged by the Great East Japan Earthquake

Voice



Group discussion in progress

I serve as leader of "Life Revolution 17"—a working group for work-life balance promotion consisting of members collected from the entire company by public invitation. "Life Revolution 17" was launched in October 2010 to "propose a workplace and a life environment where employees can take 17 days of annual leave through reforms made in life (work and daily life)." These reform-minded members (as implied by the group's name) managed to propose four major themes and 13 specific measures. We will continue to work toward taking actions and achieving results. Moreover, we hope that many Iku-men (male employees positively participate in child rearing) come out from our company.

Tomoshi Taniyama (Leader of "Life Revolution 17")
Development Department I
Semiconductor Equipment System Laboratory