

Respecting and Enhancing Human Assets

We respect the diversity of human resources, and provide them with the opportunity and environment to enhance and perform their abilities.

We take measures to develop human resources who can realize "HiKQ innovation."

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

■ Training of global human resources

We are implementing the full-scale training of human resources as geared toward expanding global business. We have set up the following measures:

1. Development of global leaders

We dispatched employees to the "Global Advanced Program for Leadership Development (GAP-L)" organized by the Hitachi Institute of Management Development in Singapore. This is the training for managers around the world to acquire leadership. A participant commented, "The training itself was a global environment epitomizing the world. This will be very useful for my future business (successful experience)." We will assist managers in and out of Japan in becoming active global leaders.

2. Overseas training for young people

We are developing global personnel, by utilizing the overseas

dispatch program of Hitachi, Ltd., especially for young employees. This program includes the study in overseas language schools, the visit to and survey of local firms, and the voluntary dispatch to educational facilities overseas. In 3 years from 2011, the Group dispatched 41 employees. We will infuse a global mindset into employees via dispatched ones, and invigorate our organization.



On the way to visit a shipbuilding company in San Diego in the west coast of the U.S.

3. Taining of new employees to nurture a global mindset

In order to foster a global mindset in new employees, we carry out various trainings, including English speech contests, sessions for learning different cultures, TOEIC® tests (4 times a year), and assistance in personal development. We also make efforts to improve the English proficiency of employees, with the goal of "exceeding a TOEIC® score of 500 in 5 years after the start of employment.'

Note: TOEIC® is a registered trademark of Educational Testing Service.

Anti-disaster measures

A self-defense fire-fighting squad is organized in each works, and brushes up their fire-fighting techniques through daily training, the New Year's drill, and local contests for fire-fighting operation, etc. In 2013, the self-defense fire-fighting squad of the Toyama Works took first place in all of 3 sections in which they participated at the contest for fire-fighting operation in Toyama Prefecture.

At the evacuation drill held in the autumn every year, the self-defense fire-fighting squad practices the drill together with the staff of neighboring fire stations and fire companies, and guides evacuating employees, while assuming actual disaster. At each workplace, a person in charge of promoting safety and hygiene is selected, and each employee takes part in the drill with their purposes.

We produced a manual for coping with a large-scale earthquake, simulate the operation of the anti-disaster headquarters after an earthquake, and test the system for confirming the safety of each employee utilizing IT tools, such as mobile phones. We stock water and food for 3 days for employees, and set anti-disaster goods at each office, in accordance with Metropolitan Tokyo Ordinance on Measures for Stranded Persons.

The Tokyo Works signed contracts for conducting fire-fighting activities with Kodaira Fire Station, Kodaira City, and other companies in the region at the time of earthquake disaster, and makes efforts to improve fire and disaster prevention systems while fortifying the cooperation with the local community.

For strengthening aseismic measures, we designed a plan for a period till 2015, and renovate or rebuild old buildings.

At the time of natural disaster, including heavy snow and typhoons, we prioritize the safety of employees and act under forestalling policy, such as the instruction to go home at an early stage.



Self-defense fire-fighting squad of the Toyama Works who performed well at the fire-fighting operation contest



Self-defense fire-fighting squad of the Tokyo Works marshaled. The left squad is fire-fighters from Kodaira Fire Station.

VOICE

I participated in the 4-week program titled "Visit to local firms and English communication" in San Diego, the U.S. I worked on this training with the purposes of honing my English skills for communicating with overseas customers smoothly and my ability to adjust to unfamiliar environments outside Japan.

During the training, I felt frustrated by the language barrier, and unexpected things happened, but I realized that it was possible to communicate with limited English, if I have the attitude of talking and listening. Not only the English skill, but the whole experience of this training helped improve my way of thinking and behavior.





Safety and Hygiene

The Company's safety and health activities are based on the principle of "ensuring safety and health comes before everything else," and our entire Group engages in these activities.

In fiscal 2013, we started the following activities, while emphasizing the prevention of the accidents of company-owned vehicles.

- 1. Declaration of safe driving
- 2. To carry a safe driving declaration card, and read it aloud before driving
- 3. To drive while uttering traffic conditions
- 4. To exchange reminders for safe driving

We distributed the safe driving declaration card to the drivers of company-owned vehicles or their own cars, and improved their awareness, by instructing them to write their declaration of safe driving in the card and read it before driving. We also instruct them to utter traffic conditions, which change rapidly, to enhance their awareness of safety. As a result,

the traffic accidents, including single-car ones, decreased by 40% in fiscal 2013.

As for safety activities other than above, we strive to prevent industrial accidents and sickness, by holding the Group Safety Conferences and continual education or guidance by industrial health staff.



Safe driving declaration card

Employment of Diverse Human Resources

The Hitachi Kokusai Electric Way prescribes that our Company "respects the diversity of its human resources and provides them with the opportunity and environment to enhance and perform their abilities," while our Guidelines and Commitments prescribe that we "respect the diversity, character, and individuality of all employees; provide a mentally and physically rewarding, safe and healthy work environment as well as opportunities for further training and growth."

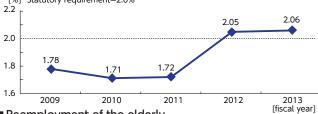
Based on those policies, we promote the employment of people with disabilities and the reemployment of elderly colleagues.

As for the employment of the elderly, we adopted the reemployment system for extending the employment period so that senior employees can work up to the age of 65, and many employees utilize this system. While working actively with their experience, they hand their invaluable skills to young generations.

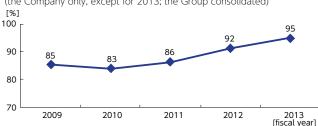
As for the employment of people with disabilities, the ratio of disabled employees is 2.01% as of April 1, 2014, observing the rate specified by law. We will keep efforts to increase job opportunities for them.

As for the employment of female and foreign personnel and the promotion of these to management level, we set goals and proceed as planned.

■ Employment ratio of people with disabilities (the Company only) [%] Statutory requirement=2.0%



■ Reemployment of the elderly (the Company only, except for 2013; the Group consolidated)



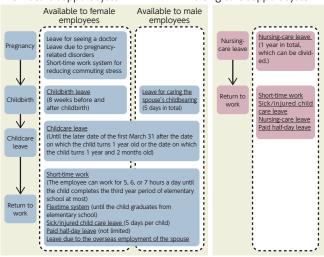
Work-life balance

■ Promotion of a system to support for balancing of work and family life

From the perspective of a good balance between "a sound and comfortable life" and "mentally and physically rewarding work," we have been promoting the development and enrichment of programs that help workers realize a good balance between work and child rearing/nursing care. In April 2012, our company was granted a certification mark (affectionately nicknamed "Kurumin") under the "Act on Advancement of Measures to Support Raising Next-Generation Children" by the Ministry of Health, Labour and Welfare.

■ Systems for supporting child care and nursing care

«Childcare Support System» «Nursing-care Support System»



(The underline represents the contents of the system or the system itself that exceeds the provisions of law.)

- The numbers of employees who took a childcare leave and employees who used a short-time work system*

 (the Company only)
 - ■Number of participants in the short-time work program*
 ■Number of employees taking leave for child rearing



*Participants in the short-time work program: People working shorter hours than usual for the sake of child-rearing, nursing care, or similar purposes

■ Working group to make work and life worthwhile

In fiscal 2010, we organized a working group, publicly seeking members, and have conducted various activities for improving the "work-life balance."

In fiscal 2013, we publicly sought new members, to enhance such activities, and started the pursuit of "physically and mentally rewarding life and work." We will not only enrich systems, but also discuss and embody "mechanism creation" while considering the actual situations of workplaces and business fronts.