



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."

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

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

(1) Training of new employees to nurture a global mindset

In order to foster a global mindset among new employees, we carry out various types of training, including English speech contests, sessions for learning about different cultures, TOEIC® tests, and support for personal development. Under the overseas dispatch program, we also send employees with a certain level of English skills overseas.

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

(2) Overseas dispatch program for young employees

We are developing global personnel by utilizing the overseas dispatch program of Hitachi, Ltd., mostly targeting young employees. Under the program, employees are sent overseas for training for a short period of one to three months. The program includes study at overseas language schools, the opportunity to work in local firms, and volunteer activities at educational facilities. In four years from 2011, our Group dispatched a total of about 50 employees. It is our hope that these employees will invigorate our organization by helping to instill a global mindset in their workplaces.

VOICE

Because I wanted to place myself in a challenging environment, I participated in a one-month dispatch program to India.

In India, I conducted a market survey on the portable Washlet® and visited local shops to hear their opinions. And I presented the survey results at the business school.

In addition to being a hygiene product, the portable Washlet® was a new product and no one in India had any familiarity with it, so even making appointments was difficult. So I often made unannounced visits to promote the product. I think I performed very energetically and proactively.

I believe I have become more positive through my experience in India. Such positive attitude is of great help in negotiations with overseas business partners.

Note : Washlet® is a registered trademark of TOTO Co., Ltd.



Manabu Harada
Tokyo Procurement Department,
Group Procurement Division

Harada making a presentation on his experience at the fiscal 2016 new employee training

Safety and Hygiene

In fiscal 2015, the Company and its Group companies in Japan conducted the following safety and health activities.

1. Safety Activities, to Prevent Rule Breachings and Eliminate Peer Accidents

Although accident prevention efforts were being made, lost-time accidents occurred at some sites. We continued our efforts to review safety standards and work procedures and to strengthen safety education.

2. Hygiene Activities, to Promote Preventive Management in both Physical and Mental Causes.

In addition to the existing mental health training, we formulated a health promotion plan, "(Hi)KE Health Promotion Activities 2018," to manage employees' physical health. In accordance with the plan, we will carry out activities in a systematic way to promote employees' health and raise their health awareness.

3. Traffic Safety Activities, to Eradicate Traffic Accidents Injuring Others

We instituted the Hitachi Kokusai Electric Group Safe Driving Month, during which we conducted various activities to eradicate traffic accidents resulting in injuries suffered by other parties, resulting in a 57% decrease compared to the previous year.

While continuing ongoing safety and health efforts as above, the Tokyo Works, which has been operating with no accidents since November 1997, achieved the Type-5 zero-accident record* in January 2015. In April of the same year, the Tokyo Works received a certificate from the director of the Labour Standards Bureau of the Ministry of Health, Labour and Welfare.



Planting a tree at the Tokyo Works to commemorate the achievement of the Type-5 zero-accident record

* Type-5 zero-accident record : The highest ranking of the five-level zero-accident record certificates (from Type 1 to Type 5) awarded by the Ministry of Health, Labour and Welfare. The standard length of time for zero-accidents is predetermined for each industrial category. In the case of electrical machinery and apparatus manufacturing, the standard length of time for zero accidents for a Type-5 certificate is 35.5 million hours.

Anti-disaster Measures

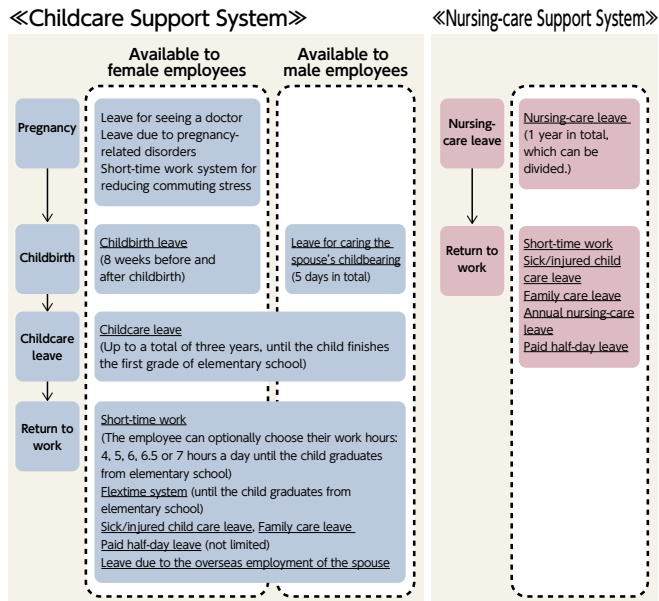
The Company and its Group companies in Japan hold a Group-wide simultaneous disaster simulation drill once a year based on a scenario of an earthquake occurring directly beneath the Greater Tokyo metropolitan area. This drill aims to strengthen information sharing and coordination between the companywide anti-disaster headquarters to be set up at the Head Office and the anti-disaster headquarters to be set up at each operation base. In the event of an earthquake, anti-disaster headquarters will be set up and confirmation of the safety of employees will be carried out as a top priority. In the past, the Group-wide drill was conducted focusing on three phases: (1) emergency phase (one day after), (2) business resumption phase (three days after), and (3) business recovery phase (one week after). Since fiscal 2015, we have shifted the focus of the drill to the next step: (4) full-recovery phase (full restoration of business operations) of the Business Continuity Plan (BCP). In the drill, we exercised the procedure for relocating affected production activities to the alternate facility. Also, on the assumption of the occurrence of IT-related damage, we confirmed system operation using the actual equipment. By exercising the business continuity procedures up to the resumption of production (three months later), we verify the effectiveness of our BCP.

Work-life Balance

Support for Balancing Work and Family Life

Recognizing the importance of achieving a good balance between “a sound and comfortable life” and “rewarding and fulfilling work,” we have been working to develop and enrich programs that help workers realize a good balance between work and family responsibilities such as child rearing and nursing care.

■ Systems for supporting child care and nursing care

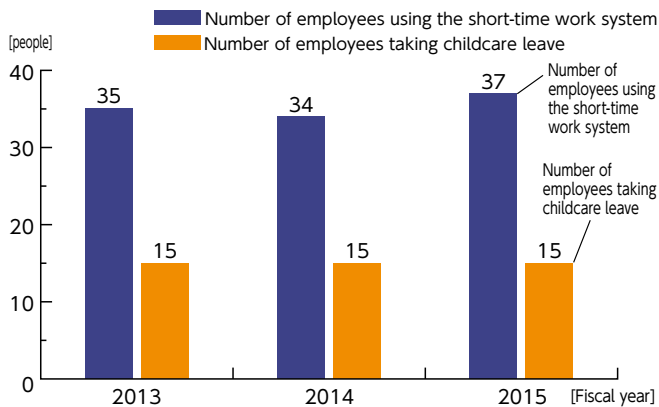


(The underline represents the contents of the system or the system itself that exceeds the provisions of law.)

Working Group to Make Work and Life Worthwhile

In fiscal 2010, we organized a working group to promote work-life balance, seeking members through open recruitment. In fiscal 2013, the working group sought new members and started anew with the mission of pursuing the promotion of “job satisfaction” and a “fulfilling life.” In fiscal 2014, the working group developed and executed more than 10 specific proposals. In fiscal 2015, the working group, with a new set of members, worked to develop new proposals. In fiscal 2016, the group will put those proposals into action.

■ The number of employees who took childcare leave and those who used the short-time work system*(the Company only)



* Employees who used the short-time work system : Those working shorter hours than normal in order to fulfill parental, nursing care or similar responsibilities

Efforts to Promote Female Empowerment in the Workplace

With the aim of raising the motivation of female employees toward career development, since fiscal 2014 the Company has held a two-day career seminar for female career-track employees. The seminar had 17 participants in fiscal 2014, and 17 again in fiscal 2015. The seminar provides participants with the opportunity to identify their own strengths and weaknesses using objective assessment tools and to think about their career development and future career path.

Based on the belief that understanding and support in the workplace is important to enable female employees to pursue their career development, in fiscal 2015 a lecture on the promotion of female empowerment in the workplace was held for managers. The lecture was attended by a total of 82 managers from the Company and its Group companies. We are working to raise the awareness of managers regarding female empowerment with the aim of furthering female participation in the workplace and in management.



Career seminar for female employees (January 8, 2015)

Employment of Diverse Human Resources

We promote the employment of people with disabilities and the reemployment of older employees.

We have adopted a reemployment system for older workers that allows employees who have reached retirement age to extend their employment to age 65. Many employees choose to utilize this system, which enables them to pass on their long-accumulated experience and professional skills to younger workers.

To promote the employment of people with disabilities, we operate an internship program for disabled job candidates that allows the Company to assess the intern's work skills and abilities while giving the intern the chance to try out the working environment, etc. We hire interns for more permanent roles after the internship is complete. As of March 1, 2016, we satisfied the mandated employment quota (2.0%). In addition to further increasing employment opportunities for disabled people, we will work to create a lively work environment in which the individuality of each employee is valued, thereby increasing their job satisfaction.

VOICE

I am performing design assistant work, including making arrangements for parts. I use an artificial leg to get around at work, but I do most of my work on the computer or at my desk and thanks to the support and consideration of my colleagues, I experience no inconvenience.

My work involves many technical terms and I find it difficult to understand them, but thanks to the guidance of experienced colleagues in the workplace, little by little I have become able to do more things. I will do my best to contribute to my workplace, even if just a little.

On holidays and after work, I do sprint training, which I started about one year ago. My goal is to participate in a track and field meet.



Tamami Watanabe

Broadcast Equipment Engineering Department
Video & Communication Systems Division



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Aiming to Improve Operational Efficiency from a Female Perspective

The topic of female empowerment in the workplace has been much talked about in recent years. Our Group has been implementing "Step-up Activities," which promote work process reforms based on bottom-up suggestions. Against the backdrop of merger/integration and introduction of a new business system, one of our Group companies, Hitachi Kokusai Yagi Solutions Inc. (HYS), has formed a group for Step-up Activities called "Nadeshiko HYS!" with the participation of all female employees, and commenced in May 2014 cross-departmental activities based on a female perspective to strengthen networks of female employees, improve individual abilities, and improve operational efficiency. Since Nadeshiko HYS! is a cross-departmental group consisting of employees from different workplaces who are working different jobs and shifts, a questionnaire survey was first conducted to solicit members' opinions. Then opinion-exchange sessions, study sessions, and meetings were held at the Head Office. Based on the opinions obtained through the survey, as well as requests expressed in the aforementioned sessions and meetings, various theme-based activities were implemented. One of the achievements of the activities is an HYS original user manual, which was created about six months after the introduction of a new business system. To meet user needs, the manual contains know-how and practical advice on how to use the system effectively. The manual was displayed on the bulletin board so it could be shared with employees, leading to a significant reduction in work time. The secretariat members presented the achievements of their activities at the Hitachi Group Work Process Reform and Improvement Activity Convention in July 2015.



Study session held at HYS Head Office

VOICE

Through these activities, we were able to convey to the top management of the company our thoughts on what we wanted them to improve. We are happy that some of our requests were fulfilled. In the questionnaire survey, many comments were received regarding the issue of balancing work and child care and family care, which is peculiar to working women, and the workplace environment. Some of the problems were beyond what we could solve on our own through Step-up Activities but, as a secretariat, we were able to convey the concerns of female employees to the company and make proposals through the presentation session.

Rikako Watanabe

Strategy Office, Service Division

Mariko Yoshida

Material Procurement Department
Hitachi Kokusai Yagi Solutions Inc.



From left: Yoshida, Watanabe

Dialogue with the Union

The Company has concluded an agreement with the Hitachi Kokusai Electric Group Labor Union, under which labor-management conferences are held regularly to discuss labor conditions and personnel systems. Through these conferences, labor and management work together to establish disciplinary rules for the workplace and maintain and improve the workplace environment.

In the labor agreement, it is specified that the Company and union hold such labor-management conferences regularly to facilitate two-way communication, ensure smooth business operations and growth, and improve the working conditions of employees. In this way, labor and management exchange constructive opinions regarding various issues such as management policies and business operations, thereby establishing healthy and stable relations between workers and management.

Makeup of Personnel (as of March 31, 2016)

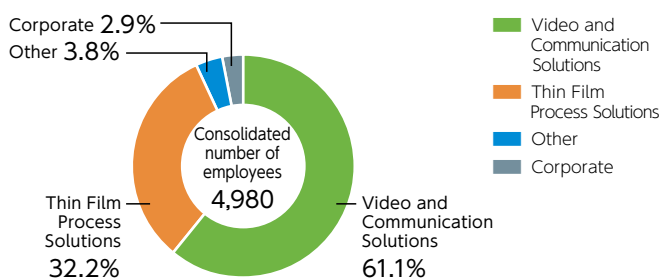
Makeup of personnel (the Company)

	Male	Female	Total
Number of employees	2,240	223	2,463
Number of managers	506	7	513
Number of senior managers and above	197	1	198
Directors/Executive Officers	16	0	16
Average age	44.0	40.9	43.7
Average years of service	18.8	16.7	18.6
Number of employees leaving the company	14	7	21

Number of labor union members (the Group in Japan)

Name of labor union	Number of members
Hitachi Kokusai Electric Group Labor Union	2,778

Percentage of personnel by business segment (the Group)



Percentage of personnel by region (the Group)

