

Promotion of Diverse Human Resources

With the Corporate Creed of “contributing to society by being the best enterprise,” the Hitachi Metals Group positions diversity and inclusion as important management strategies, and is pursuing various measures to grow as a global company, based on the belief that “creating an innovative corporate culture will increase corporate value.”

Global Human Resources Strategy with Human Resources as the Source of Competitiveness

The Hitachi Metals Group, which is moving ahead with global business expansion, is striving to enhance and strengthen its human resource development programs in order to “develop people of action with global perceptions at Hitachi Metals,” based on the recognition of human resources as the source of competitiveness.

We have established the following four themes for our human resource strategy, under the Fiscal Year 2018 Medium-term Management Plan: “management reform aimed at instilling a globally shared ‘philosophy’ (the basic values to be held by all Group employees) and changing our corporate culture”; “diversity and inclusion that promote participation of diverse human resources and ‘workstyle reform’”; “realization of safe and healthy workplaces”; and “promotion of global human resources management.”

Human Resources Development Programs

Our communications symbol, “Materials Mag!c,” incorporates the determination of each and every employee to be a key driver of growth. The Hitachi Metals Group is striving to enhance and strengthen its human resource development programs linking OJT and OFF-JT, so that employees can develop their expertise enabling them to actively seek out challenges and take actions to achieve success or solve problems, and to become shining examples for the Company.

▶ Nurturing the next generation of human resources
We identify at an early stage the human resources who will take responsibility for management in the next generation and enhance training programs for them. We complete systematic personnel rotations and tough assignments, as well as training such as OFF-JT.

▶ Global recruitment and development of human resources
As our business rapidly globalizes, we are accelerating efforts at global regional headquarters in Europe, the U.S., China, and the rest of Asia, to employ and cultivate human resources who will be future executive candidates. We are also pushing ahead with the early cultivation of future executive candidates who can play active roles globally, through overseas business training and global training for employees in Japan, active hiring of foreign nationals, including international students, and promotion of locally-hired staff at Group companies outside Japan into positions of responsibility.

Promoting Diversity and Inclusion

In order to create an innovative corporate culture based on diversity, it is vital to cultivate a structure and environment in which all human resources can broaden their potential and play active roles. We are working to strengthen our human resource base by securing diverse employees, assigning them strategically, and encouraging their active participation. We

have also established the Hitachi Group Diversity Promotion Council, headed by the President, in order to promote diversity and inclusion by sharing policies and issues related to activities throughout the Group.

Furthermore, we have appointed one female Outside Director, and regularly receive her advice on diversity. In particular, we are making efforts to promote the participation and advancement of women in the workplace, based on the following policies.

▶ Policy on promoting the participation and advancement of women in the workplace

1. Ratio of women among newly hired graduates (career-track positions)

Achieved targets Technical positions: 10% or more
Administrative positions: 40% or more

2. Support for retention

Career support to eliminate concerns
Awareness-raising for those in management-level positions
Support for balancing work with childcare and nursing care, including Hitachi Group training
Promotion of diverse work styles through workstyle reform

3. Promotion measures

Achieved the target ratio for women in management-level positions: 1.2% in fiscal 2017, 1.5% in fiscal 2018
Carried out individual development plans and training for selected employees

Main initiatives

- Survey of actual conditions for women in career-track positions
- Three-party discussions by the President, officer in charge of human resources, and experts
- Held a networking event for women in career-track positions at Hitachi Metals
- Manager training and diversity training
- Survey and analysis of participation by women in the Hitachi Group
- Dispatched employees to Hitachi Group career training, and to seminars for support before maternity leave and upon returning to work

Furthermore, we support exchanges among our diverse employees and the realization of diverse careers through human resource exchanges both inside and outside of the Hitachi Group and the proactive hiring of experienced personnel, in addition to the utilization of the “My Challenge” internal free agent system, which allows employees who have a desire to expand their potential to transfer across internal companies or job categories, and the introduction of leave to allow employees to accompany spouses on overseas assignments.

▶ Endorsed the “Declaration on Action by a Group of Male Leaders Who Will Create a Society in Which Women Shine”

In August 2017, Hitachi Metals President and Chief Executive Officer Akitoshi Hiraki endorsed the “Declaration on Action by a Group of Male Leaders Who Will Create a Society in Which Women Shine,” an initiative supported by the Cabinet Office



of Japan. President Hiraki expressed his commitment to personally take the lead in promoting the further active participation of women.

Selected as a Fiscal 2017 “Nadeshiko Brand”

On March 22, 2018, Hitachi Metals, Ltd. was selected as a fiscal 2017 “Nadeshiko Brand” (Steel Industry category), a designation granted by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to companies that are outstanding in terms of encouraging the success of women in the workplace. In July 2017, the Company was also included as a component stock on an ESG investment index, the “MSCI Japan Empowering Women Index (WIN)*,” which we consider to be a high evaluation of our gender diversity.

*An index comprising companies from various industries selected for attaining high scores on gender diversity.



“Workstyle Reform”

The Hitachi Metals Group believes that it is indispensable to create an environment where diverse employees can pursue highly productive work styles and approaches to their jobs, while sharing different values and ideas, and realizing a sense of fulfillment and personal growth in their work. In order to accomplish this, in fiscal 2016, we launched a “workstyle reform” project. Positioning fiscal 2016 as the “awareness-raising” phase, fiscal 2017 as the “implementation” phase, and fiscal 2018 as the “instilling” phase, we aim to reduce the total annual actual working hours to less than 2,000 by fiscal 2018.

In fiscal 2017, the “implementation” year, we emphasized

“operational reform” while pressing ahead with the further reinforcement of existing measures and the active introduction of new ones. Our target for the “instilling” phase in fiscal 2018 is to make highly productive work styles that assume diversity to be the standard in back-office departments companywide.

▶ “Workstyle reform” efforts in fiscal 2017

In fiscal 2017, we worked actively to introduce new measures based on operational reform. Having established “stop, reduce, and change” as our basic concept for operational reform, we carried out comprehensive discussions to optimize all meeting bodies, including determining whether the meetings were necessary. We created an environment, and established and reinforced a support system to realize more flexible work styles, including minimizing the man-hours required for meetings and preparation of materials.

Outline of Fiscal 2017 “Workstyle Reform” Activities

Awareness-raising and education	Continuously communicated messages from top management, and conducted training for managers and professionals (manager level and above)
Operational reform	Reduced regular meetings by one-half and reduced materials used, reinforced adherence to meeting and email rules, implemented workplace working groups, invited amendment suggestions on rules and practices, and promoted use of IT
Work environment enhancement	Effectively used telecommuting, and took advantage of satellite and mobile offices
Strengthening of work hours management	Formulated and thoroughly implemented a departmental work hours policy, improved the system for managing work hours, and thoroughly implemented daily recording and approval of work hours management

Composition of Employees (Non-consolidated)

	FY2013	FY2014	FY2015	FY2016	FY2017
Number of employees	6,362	6,306	5,966	5,858	6,315
Male	5,720	5,660	5,339	5,241	5,654
Female	642	646	627	617	661
Ratio of female employees	10.1	10.2	10.5	10.5	11.7
Average age (years)	42.1	43.0	43.5	43.9	43.6
Average service (years)	19.2	20.0	20.6	21.0	21.0
Number of female managers	10	10	11	12	16
Employment ratio of people with disabilities*	2.11	2.24	2.34	2.40	2.31

*Including special subsidiaries