



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.

Measures to Develop Human Resources

1. Our Basic Philosophy on Human Resources Development and Basic Policies for the Present Fiscal Year

Our basic philosophy is to train workers who “learn on their own, think on their own and act on their own.” We aim to develop individuals who are always eager to explore and learn, enjoy overcoming challenges, and continue to evolve every day.

With regard to human resources development, we have defined the following four basic policies for this fiscal year.

- I. Help improve basic skills and learn advanced technologies as well as technologies in new fields
- II. Give full education on health & safety, the environment and CSR
- III. Develop global human resources for business operations outside Japan
- IV. Help assistant managers enhance their motivation and skills

2. Training of Global Human Resources

With the aim of developing people who can contribute to expanding global business, we have continued to implement the following training programs.

(1) Training young employees to cultivate a global mindset

In order to foster a global mindset among new employees, we provide various types of training in our introductory training for new employees, including English speech contests, sessions for learning about different cultures, TOEIC®* tests, and support for personal development.

For employees who have been with us for five years or less, we set target scores for TOEIC® and provide support to help them achieve their target scores in the form of seminars on how to study English and English learning tools such as correspondence and e-learning courses. We also place emphasis on improving employees' practical speaking skills, and we encourage those who get a high TOEIC® score to take speaking tests.

* TOEIC is a registered trademark of Educational Testing Service (ETS) of the United States.

(2) Holding English conversation classes inside the company

In order to help employees acquire world-class competencies and proactively communicate with native English speakers, we hold internal English conversation classes taught by native-speaker instructors. At the Toyama Technology & Manufacturing Center, a small-group lesson is given every week with the participation of young employees and other members.

(3) Human resource development support for overseas Group companies

With the aim of training local employees of overseas Group companies, we implement a human resource development support program under which employees selected from overseas Group companies are invited to Japan to gain work experience at the Company. In fiscal 2017, we accepted four local employees under the program, which is intended to help them improve their skills through OJT, acquire knowledge on

new equipment and cutting-edge technologies, and develop personal relationships with Japanese employees in related departments.

This program has helped develop employees who can contribute to expanding global business operations, including those of Group companies in and outside Japan. Furthermore, by providing opportunities for people with diverse backgrounds to mix and work together, this program has contributed to fostering diversity awareness among Japanese employees.

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.

■ Designation of No-Overtime Days and No-Working-on-Day-Off Days

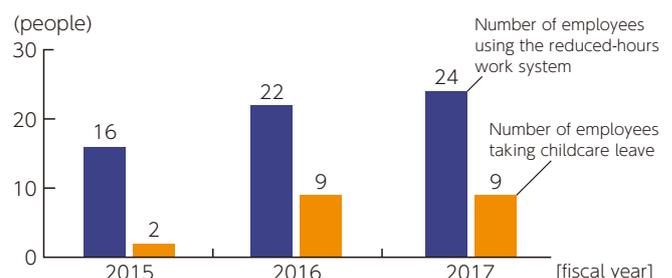
As a joint labor-management initiative to promote no-overtime days, we encourage employees to leave work on time every Wednesday and also designate the second and fourth Wednesdays of each month as “No-Overtime Days.” We have also extended the period during which employees can take a compensatory day off from a period of one month after working on a holiday to a period of two months after doing so in the following case: the employee has taken an international business trip during a Japanese vacation period (Golden Week/summer/New Year holidays). We have thereby made it easier for employees to take compensatory days off.

“Allowance for Balancing Child Care and Work” Program

As part of efforts to create an environment where employees rearing children can continue to make a full contribution at work, we introduced the “Allowance for Balancing Child Care and Work” program on April 1, 2017. This program provides employees who are raising a preschool-aged child or children, whether in a dual-income household or as a single parent, with financial assistance to cover child-rearing expenses, such as preschool fees and babysitting costs.

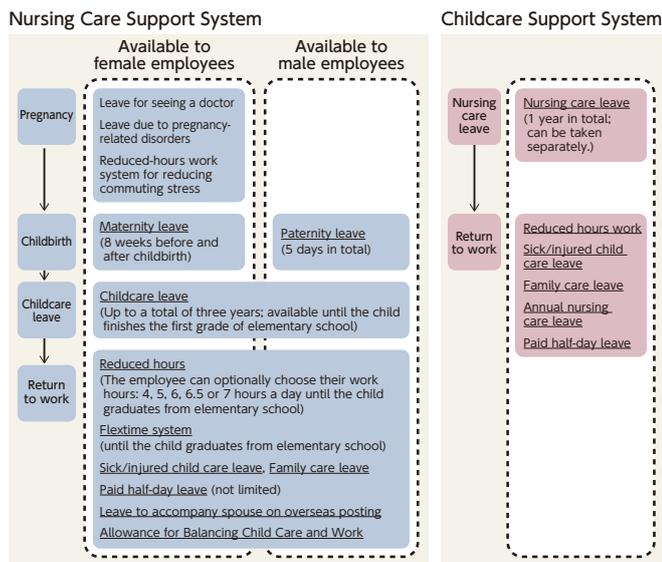
■ The number of employees who took childcare leave and those who used the reduced-hours work system*

(The semiconductor process business division of Hitachi Kokusai Electric Inc.)



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

■ Systems for supporting child care and nursing care



(Underlining indicates contents of a system or a system itself that exceeds the legal obligations.)

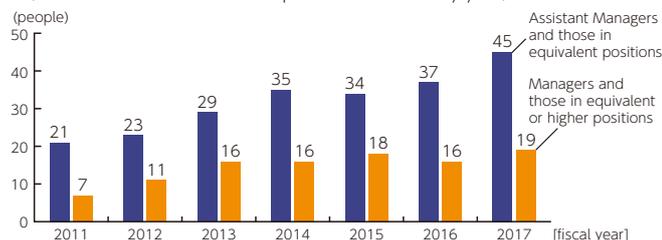
Efforts to Promote Female Empowerment in the Workplace

With the aim of raising the motivation of female employees toward career development, the Company has been holding a two-day career seminar for female career-track employees. We created a three-year plan from fiscal 2014 to provide all female career-track employees with the opportunity to attend the seminar.

The seminar includes a lecture by an invited guest speaker on the environment surrounding working women, a panel discussion hosted by female managers at the Company, and group discussions to provide participants with the opportunity to think about their career development and medium- to long-term career path.

■ Number of female managers

(Hitachi Kokusai Electric Group, as of June 1 every year)



Workplace Diversity

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. As of March 1, 2018, Hitachi Kokusai Electric Inc. satisfied the mandated employment quota (2.0%).

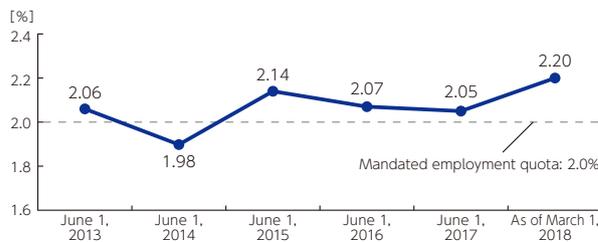
■ Consultation counter for persons with disabilities

Based on the Revised Act on the Promotion of the Employment of Disabled Persons, which took into effect in April 2016, we have established a system for supporting both employees with disabilities and their workplaces, setting up a consultation counter in order to respond appropriately to their needs and concerns.

The consultation counter responds to both inquiries from employees with disabilities and inquiries from workplaces regarding issues associated with the employment of persons with disabilities. The consultation counter also provides advice and assistance to workplaces regarding reasonable accommodations.

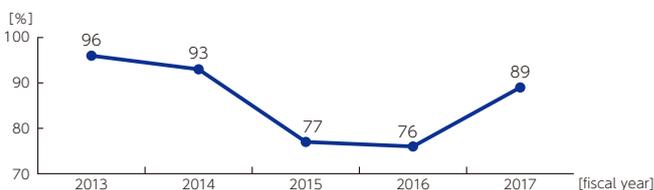
■ Employment of people with disabilities

(Hitachi Kokusai Electric Group in Japan, but the data for 2014 and before are for Hitachi Kokusai Electric Inc. only.)



■ Reemployment of older workers

(Hitachi Kokusai Electric Group in Japan, actual results for each fiscal year)



Anti-disaster Measures

The Toyama Technology & Manufacturing Center held a comprehensive evacuation drill.

In the drill, which was the first to be held on the premises following the start of operation of the new "Building-Tsurugi", members of the disaster response headquarters, internal firefighting team, each workplace, and the security office cooperated with each other at locations across the site, including at the existing facilities, while paying special attention to the Building-Tsurugi operational area. They confirmed the initial responses to be made by workers at Building-Tsurugi and the evacuation routes, and checked all the actions and safety measures to be taken by on-site customers and employees promptly and appropriately.



Members of the emergency response headquarters checked the situation of each department



After evacuation, safety was confirmed by workplace through roll calls



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Health and Safety

In fiscal 2017, the Company and its Group company in Japan conducted the following health and safety activities.

1. Safety Activities to Foster the Establishment of a Safety Culture

Despite vigorous efforts to eliminate lost-time working accidents (prevent rule breaches and eliminate peer accidents), such accidents did occur at some sites. We have continued our efforts to require employees to confirm work procedures before starting to work and conduct risk detection activities without fail.

2. Health Activities to Promote Preventive Management of both Physical and Mental Health

We regard health management as a management priority. To promote health management, we launched the health steering committee as the supreme organization to plan and decide on the company-wide health management measures in a top-down manner.

3. Traffic Safety Activities, to Eradicate Traffic Accidents Resulting in Injury to 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 16% decrease compared to the previous year.

On February 20, 2018, as a result of conducting the aforementioned activities based on labor-management cooperation, Hitachi Kokusai Electric Inc. was named one of the White 500 companies under the 2018 Certified Health and Productivity Management Organization Recognition Program implemented by the Japanese Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

Through continued labor-management efforts, the Company will foster the creation of physically and mentally healthy and energetic workplaces under the leadership of the health steering committee composed of top executives and of the on-site health and safety committee.



■ Rate of lost-time work accidents

Frequency rate of work accidents; Frequency of lost-time work accidents/Total number of working hours x 1 million hours (Hitachi Kokusai Electric Group in Japan)

2013 (Calendar year)	2014	2015	2016	2017
0.11	0	0.12	0.12	0.12

Number of employees taking leave due to mental health problems; Number of those who were absent for seven or more days per month (persons)

(If the same employee takes leave several times a year, it will be counted as one) (Hitachi Kokusai Electric Group in Japan)

2013 (Calendar year)	2014	2015	2016	2017
30	38	40	57	41

Number of occupational deaths (by region/by gender) (Hitachi Kokusai Electric Group)

Calendar year		2013	2014	2015	2016	2017
Japan	Men	0	0	0	0	0
	Women	0	0	0	0	0
Asia (excluding Japan)	Men	0	0	0	0	0
	Women	0	0	0	0	0
Americas, Europe and others	Men	0	0	0	0	0
	Women	0	0	0	0	0
Total		0	0	0	0	0

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, 2018)

■ Makeup of personnel (Hitachi Kokusai Electric Inc.)

	Male	Female	Total
Number of employees	2,168	218	2,386
Number of managers and above	464	6	470
Number of senior managers and above	181	2	183
Directors/Executive Officers	13	0	13
Average age	44.5	42.6	44.3
Average years of service	21.0	18.9	20.8
Number of employees leaving the company	86	10	96

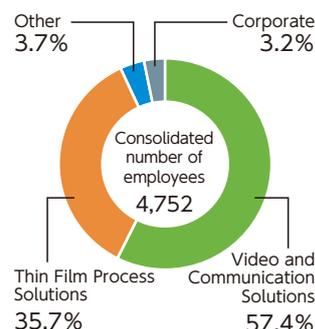
■ Number of labor union members

(Hitachi Kokusai Electric Group in Japan)

Name of labor union	Number of members
Hitachi Kokusai Electric Group Labor Union	2,611

■ Percentage of personnel by Segment

(Hitachi Kokusai Electric Group)



■ Percentage of personnel by Region

(Hitachi Kokusai Electric Group)

