Promotion of Diverse Human Resources

With the management philosophy of "contributing to society by being the best enterprise," the Hitachi Metals Group believes it is vital to "develop people of action with global perceptions at Hitachi Metals" to grow as a global company, focusing on cultivating and empowering diverse human resources.





Composition of Employees (Non-consolidated)

		FY2012	FY2013	FY2014	FY2015	FY2016
Number of Employees		4,675	6,362	6,306	5,966	5,858
	Male	4,239	5,720	5,660	5,339	5,241
	Female	436	642	646	627	617
Ratio of Female Employees		9.3	10.1	10.2	10.5	10.
Average Age (years)		43.0	42.1	43.0	43.5	43.
Average Service (years)		21.8	19.2	20.0	20.6	21.
Number of Female Managers		6	10	10	11	1.
Employment Ratio of People with Disabilities		2.16	2.26	2.08	2.30	2.4.

Human Resources Strategy Aimed at New Global Growth Through Change and Challenges

The Hitachi Metals Group, which is vigorously moving ahead with global business expansion, promotes a global human resources strategy based on the recognition that human resources are the source of competitiveness.

Under the basic policy of the Fiscal Year 2018 Medium-term Management Plan, we have set out the following four themes for our human resources strategy: "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 work style reform"; "realization of safe and healthy workplaces"; and "promotion of global human resources management."

By vigorously pushing ahead with growth through M&As in addition to organic growth, the Hitachi Metals Group will steadily put these themes into action and foster an innovative corporate culture in which various types of people can thrive, with the aim of promoting the sustainable development of the Company.

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. Guided by our basic approach to human resources development, we strive to enhance and strengthen our human resources development programs so that employees expand their expertise and become an efficient workforce that can actively seek out challenges and take action to achieve success or solve problems, as well as become shining examples for our company. In 2012, we carried out a broad reform of our education and training systems. We plan and implement a wide range of training and education programs linking OJT and

OFF-JT, such as training that includes education specific to job levels and job skills, and global education.

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.

Hiring and cultivating local personnel for management positions at each overseas base

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 cultivating locally hired personnel at Group companies outside Japan, and promoting them to positions of responsibility. In combination with the overseas trainee program for employees in Japan, we are promoting globalization simultaneously with the localization of overseas bases.

Promoting Diversity and Inclusion

Our basic policy on human resources is to create an innovative corporate culture based on diversity, with the aim of increasing corporate value. As our business expands globally, it has become critically important to strengthen our human resources base by securing diverse employees, assigning them strategically, and encouraging their active participation. Hitachi Metals therefore established the Diversity Promotion Department with dedicated staff members in fiscal 2015, and put in place a system that can implement integrated measures on hiring, training, and retention under the Human Resources Development and Diversity Promotion Department in fiscal 2017. In addition to holding seminars for those in



Roundtable discussions for foreign employees were organized under the leadership of the Human Resources Development and Diversity Promotion Department.

management positions to raise awareness, we have set numerical targets for the diversity employment rate and are working on proactive hiring and training. The diversity employment rate in fiscal 2016 was 48%, and we aim to maintain a rate of 50% or higher in fiscal 2017 and onward.

Initiatives aimed at promoting diversity

We are carrying out a range of initiatives to create a workplace where diverse human resources can work with enthusiasm. In fiscal 2016, we conducted interviews with over 80% of young female employees (in career-track positions) to understand their situations. In addition, we organized roundtable discussions with employees of foreign nationality working in Japan and covered the event in the Company's in-house journal to raise awareness and promote diversity from aspects close to employees. We will make use of the opinions gathered through such activities in future initiatives such as developing mentoring systems and various support systems.

Work Style Reform

To respond to changes of the times and to achieve sustainable growth, it is vital to embrace new challenges and continue to reform. To do that, we believe it is indispensable to create an environment where diverse human resources can pursue highly

productive work styles and approaches to the job while sharing different values and ideas, and realize a sense of fulfillment and personal growth in their work. The Hitachi Metals Group therefore positions "work style reform" as an important management issue, and seeks to achieve both sustainable development of the Company and a work-life balance for individuals by realizing efficient work styles and focusing on higher value-added work.

Companywide "work style reform" project

With the launch of the companywide "work style reform" project in May 2016, we began efforts toward "work style reform" that will generate new value. Awareness-raising and education, the reduction of total working hours, enhanced efficiency of back-office operations, and support for diverse work styles were set as the main objectives of the project, and detailed discussions got under way. We are implementing companywide initiatives with set numerical targets. As one example, we have formulated common companywide rules for e-mail and meetings, and have produced results by ensuring that basic manners and rules are thoroughly followed. Business offices with different working environments and conditions are also pursuing their own initiatives by launching full-scale "work style reform" projects.

| Promoting work-life balance

We are reinforcing our initiatives and systems to support active participation by employees to realize work-life balance. For example, we have enhanced our system for child care and nursing care leave and shorter working hours to a level beyond that mandated by the Child and Family Care Leaves Act to create an environment where employees can continue their careers at various stages of life. In addition, we are promoting the development and operation of new systems, including the introduction of a telecommuting system at our Head Office from September 2016.