

The Hitachi Metals Group positions the thorough pursuit of diversity and inclusion as an important management strategy and is working on various measures.

Hitachi Metals Basic Policy on Diversity Management

1. We regard differences in gender, nationality, culture, and so forth as unique qualities of the individual, and we ensure diversity through measures such as promoting the career development of women and utilizing global human resources. Such approaches allow us to promote innovation and enhance the flexibility and speed with which we respond to risks and changes.
2. We encourage the growth of the individual, enhance our ability to act as an organization, and reinforce the basis for sustained growth by engaging in active communication and the sharing of values.
3. We aim to become one of the world's top companies in the metal materials sector by designating diversity as a driver of growth, as we transform ourselves into a globally competitive business and challenge ourselves to meet new targets.



Hitachi Metals Action Policy on Diversity Management

Cultivate a structure and environment in which all human resources can broaden their potential and play active roles
 Recognizing that human resources are the source of our competitiveness, the Hitachi Metals Group has worked to enhance and strengthen its human resource development program, believing it is important to develop people able to take action at the global level at Hitachi Metals. Additionally, in our evaluation system, we are revising our seniority-based pay system and have incorporated "diversity management" as one of our manager evaluation metrics. We place great importance on the fact that our managers are responsible for providing the employees who report to them with equitable growth opportunities with an understanding of their values, restrictions they face due to life events and other causes, and their backgrounds, and for getting them actively involved in various measures and initiatives. In addition, we support exchanges among our diverse employees and the realization of diverse careers through human resource exchanges both inside and outside the Hitachi Group, the proactive hiring of experienced personnel, the utilization of the "My Challenge" internal free agent system which allows employees who want to expand their potential to transfer across business divisions or job categories, and the introduction of leave to allow employees to accompany spouses on overseas assignments.

Hitachi Metals is also promoting diversity at the management level. As of April 1, 2022, our 12 executive officers included one foreign national and one female executive. In addition, our Chief Financial Officer (CFO) and Chief Information Officer (CIO)/Chief Data Officer (CDO) were appointed to their roles from outside Hitachi in light of their track records and capabilities demonstrated to date, after being selected from a wide range of candidates who were optimal for the roles and responsibilities in question.

Human Resources as the Source of Competitiveness

The Hitachi Metals Group, which is moving ahead with global business expansion, recognizes human resources as the source of competitiveness. With this understanding, we will become a company where diverse human resources gather, test their opinions against others' views, and work with enthusiasm and pride.

Reflecting the Results of our Survey of Employees into Management Policies

We conduct a Survey of Employees each year, measure the percentage of positive evaluations given for indicators of engagement, and report the results at management meetings, as part of our aim of becoming a company where employees can work with enthusiasm and pride. After these results are discussed at the management meetings and elsewhere, the outcomes of these discussions are then reflected in improvement measures.

Human Resource Development Programs

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 who can make themselves indispensable to their organization.

■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. The training programs include crossdivisional personnel rotations and extra-challenging assignments, as well as OFF-JT which includes external training.

■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 the Participation and Advancement of Women in the Workplace

In August 2017, we announced that we would further promote the participation and advancement of women in the workplace, in support of the declaration of action by the "Male Leaders Coalition for Empowerment of Women," which is supported by the Cabinet Office. The President sent a message internally to the Hitachi Metals Group regarding our support. In his message, the President declared that developing the next generation of human resources was

a key issue for him as the head of top management, and to this end, he would work to promote the participation and advancement of women. Believing that without the participation and advancement of women it is not possible to create a strong company where diverse human resources work with enthusiasm, he also declared that he would take the lead in further promoting the participation and advancement of women.

Policy on Promoting the Participation and Advancement of Women in the Workplace

1. Achieved targets for the hiring ratio of women among newly hired graduates (career-track positions)

Technical positions: 10% or more

Administrative positions: 40% or more

2. Support for retention

- Career support to eliminate concerns (providing training, opportunities for exchange among women, etc.)
- Awareness-raising for those in management-level positions
- Enhancing systems relating to childcare and nursing care, and raising awareness of these
- Promotion of diverse workstyles through workstyle reform (a work-from-home system, satellite offices, etc.)

3. Promotion measures

- Achieved the target ratio of women in management-level positions: 2.0% in fiscal 2022
- Carried out individual development plans and training for selected employees

Main initiatives

- Held the Hitachi Metals Women's Forum (networking event for employees in career-track positions at Hitachi Metals)
- Corporate manager training and diversity training
- Survey and analysis of participation by women in the Hitachi Group
- Proactively dispatched employees to cross-industry exchange events and external seminars aimed at women managers
- Presented "papa aprons" to male employees and the spouses of female employees who have had children
- Held seminars for management-level employees who have female employees reporting to them
- Held seminars on women's health

Nadeshiko Brand

Each year, the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange jointly select for the Nadeshiko Brand those companies with a management strategy of striving to promote at a high level the participation and advancement of women in the workplace. Companies are selected according to industry, and Hitachi Metals was named for the iron and steel category in fiscal 2017 and 2019.



Eruboshi Certification: Certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace (Women's Participation Promotion Act)

The Eruboshi Certification is awarded by the Minister of Health, Labour and Welfare to companies that formulate and file action plans for the participation and advancement of women and carry out excellent initiatives to execute these plans.

Companies are evaluated on a three-level scale, in accordance with the number of evaluation criteria they satisfy. In May 2020, Hitachi Metals was certified for Stage 3, having met all evaluation criteria.



Promoting Workstyle Reform

We believe that it is essential to create an environment where diverse employees can share different values and ideas, pursue highly productive workstyles and approaches to their jobs, and realize a sense of fulfillment and personal growth in their work. Accordingly, we have continued to steadily improve operational efficiency and promote and establish work with no restrictions on time or location by pursuing ICT measures, allowing all employees to have real job satisfaction and feel truly comfortable at work.

In fiscal 2021, the total of annual actual working hours of back-office workers was 2,078, with the paid annual leave uptake rate standing at 76%, representing substantial improvements over the figures for fiscal 2016 (when annual actual working hours stood at 2,245 and the paid annual leave uptake rate at 48%) and highly productive workstyles are being instilled. In this way, the Group is working to instill workstyles with a high level of productivity.

Main initiatives

- Promoted satellite offices, mobile work, a work-from-home system, a discretionary work system, and flex work
- Introduced a work-from-home system that eliminates the need to send employees on remote assignments away from their families by enabling employees to mainly work from home, if they desire
- Set out working hours in visual form and provided workstyle training for managers
- Specified common Companywide rules for email and meetings, and enhanced ICT infrastructure such as file-sharing systems and communications tools
- Shared information related to operational improvements such as using RPA and shifting to paperless operations

Composition of Workforce (Non-consolidated)

	Fiscal 2017 (ending March 2018)	Fiscal 2018 (ending March 2019)	Fiscal 2019 (ending March 2020)	Fiscal 2020 (ending March 2021)	Fiscal 2021 (ending March 2022)
Number of employees	6,315	7,067	7,022	6,623	5,889
Male	5,654	6,277	6,215	5,826	5,068
Female	661	790	807	797	821
Ratio of female employees (%)	10.5	11.1	11.5	12.0	13.9
Average age (years)	44.1	43.2	43.4	43.4	44.2
Average service (years)	21.7	18.4	18.8	20.1	19.2
Number of female managers	14	19	19	19	20
Employment ratio of people with disabilities* (%)	2.31	2.21	2.26	2.27	2.36

*Including special subsidiaries