

## Human Resources Strategy

[Human Resources Strategy \(Sustainability Report\)](#)

In a rapidly changing business environment, Hitachi believes that people are the source of our value, and we are strengthening human capital as an important element of management capital.

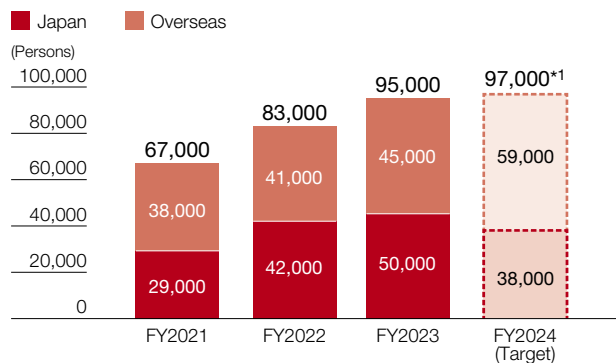
We leverage the combined power of our global network of employees to provide value to our customers and societies, contributing to the creation of sustainable societies.

In the Mid-term Management Plan 2024, we have set KPIs aligned with management strategies and implement each measure. Specifically, we have set three goals, namely, digital talent acquisition and development, the increased ratio of women and non-Japanese executives and corporate officers, and improving employee engagement, as the major human capital KPIs, and have linked these with executive compensation to drive their achievement.

With regard to employee compensation, Hitachi has introduced a framework in which individual targets are linked to the Company's targets, and compensation is determined according to the achievement of those targets. By clarifying the roles and targets of organizations and individuals in the achievement of the Company's targets, we aim to facilitate business growth.

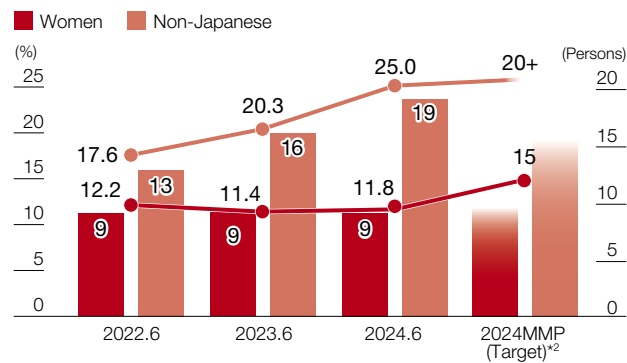
### Mid-term Management Plan 2024 Human Capital KPIs

#### Digital talent



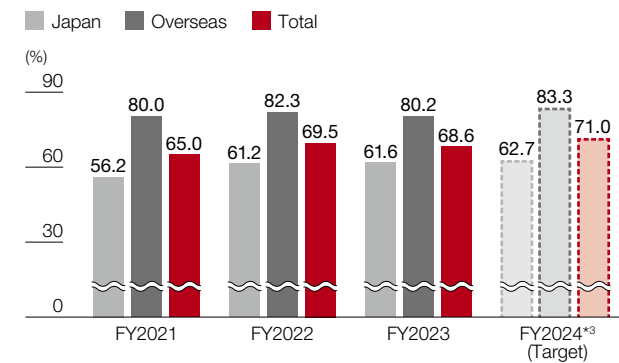
\*1 Excluding Hitachi Astemo

#### Ratio of women and non-Japanese executives and corporate officers (Hitachi, Ltd.)



\*2 Includes personnel changes effective April 1, 2025

#### Employee engagement (Positive response rate)



\*3 We raised our FY2024 target as we achieved the previous target ahead of schedule in FY2022.

#### Digital Talent Acquisition and Development as a Growth Driver

To accelerate the Lumada business that serves as Hitachi's growth driver while achieving growth in the Social Innovation Business utilizing digital technology, we are focusing on the acquisition and development of digital talent to drive digital transformation (DX).

With the growth of the Lumada business, we have made progress acquiring talent through recruitment, business acquisitions, and other activities on a global scale. In Japan, Hitachi is expanding DX training and practical experience-based training programs, with more than 100 courses provided mainly by the Hitachi Academy, and working to strengthen internal talent development using the methodology of GlobalLogic.

#### Diversification of Leadership Talent and Enhancement of Development Programs

With the changes in our business strategies, the skills required for next-generation leadership have also changed. Therefore Hitachi is putting effort into our Global Leadership Development Program (GLD), which aims to select and develop candidates for future leadership positions such as CEO, heads of business units, and other management leaders, as well as our Future 50 Program, which brings together emerging employees with the potential to become future leaders.

Under the GLD program, we conduct talent reviews and outside appraisals (HLPO<sup>\*4</sup>) globally and, based not only on performance but also on potential, we select several hundred candidates from around the world to join the GT+<sup>\*5</sup> talent pool.

We are happy to say that diversity is increasing year by year, with the percentage of women and non-Japanese nationals among the selected applicants now reaching 24% and 31%, respectively (as of March 31, 2024).

Top management and the Nominating Committee members work together to provide selected individuals with intensive training through work assignments, including management positions, and other on-the-job and off-the-job training (outside training programs, coaching), and through opportunities for direct discussions with independent directors.

\*4 Hitachi Leadership Profile Online \*5 Global Talent Plus

## Fostering a Synergistic Organizational Culture and Achieving Global Growth

Hitachi is made up of talent with diverse backgrounds who have joined us through our business acquisitions and expansion. Through collaboration among talent working in many different businesses and countries and regions, we will develop an environment for accelerating global growth in areas that combine IT, OT and products.

### Revision of Hitachi Group Core Competencies

For Hitachi, which brings together diverse talent with different languages, cultures, and views, it is important to have a common mindset and expected behaviors in order to maximize synergy across the Group as a whole. Accordingly, in April 2023, we specifically defined how to embody Hitachi's founding values of Harmony, Sincerity, and Pioneering Spirit as the Hitachi Group Core Competencies and adopted these as global guidelines. [↗](#) The Hitachi Group Core Competencies have been repeatedly revised based on discussion with the leaders of various regions and businesses and are accepted by Hitachi Group employees around the world. Moreover, by incorporating behavior expectations based on the core competencies into personnel evaluation systems, we are encouraging individuals to understand them and put them into practice and accelerating initiatives by diverse employees for the generation of synergies of One Hitachi and the creation of new business.

One example of such initiatives is the One Hitachi Collaboration Workshop\*<sup>1</sup>. This initiative aims to transcend business boundaries to create synergies, and participants have said that the workshop is helpful for them to effectively implement digitalization and that they looked forward to collaborating in various ways in the future. Collaboration among diverse employees will continue to drive Hitachi's growth, leading to further improvement in our corporate value.

\*1 Held in Poland by the Monozukuri Strategy Division in September 2023. GlobalLogic, Hitachi Digital, Hitachi Energy, Hitachi Rail, and Hitachi Vantara took part and discussed project support in the Railway Systems BU and at Hitachi Digital.



Hitachi Group Core Competencies



Workshop

## Implementation of DEI Activities for an Inclusive Environment

Hitachi implements DEI as a business driver and leverages all the diversity of its workforce while ensuring a fair and inclusive environment. In fiscal 2023, 84 Hitachi top executives, including the CEO, took part in a workshop on inclusive leadership, which is becoming a critical capability. [↗](#)

We also provide DEI e-Learning for all employees on a global level, and approximately 190,000 employees have completed the course (as of June 30, 2024).

In fiscal 2024, in addition to our executive compensation, which sets sustainability targets as KPIs, we launched an initiative as part of the employee performance assessment framework used to set performance targets for individual employees and began allocating the equivalent of 5% of all targets to DEI and diversity-related behaviors. [↗](#) By making DEI an issue that concerns all Hitachi employees, ensuring equity, creating inclusion, and leveraging diversity, we will contribute to the sustainable growth of individuals, organizations, and business.

## Individual Growth through Autonomous Career Development and Promotion of Open Innovation

Hitachi attaches importance to giving individuals autonomy in their careers and opportunities to try out new positions, and we are committed to creating career development opportunities across business and geographical boundaries and putting the right people in the right jobs. [↗](#) In fiscal 2023, Hitachi's top management committed itself to the allocation of talent across our businesses in regions all over the world, and we realized assignments that will drive business combining Hitachi's strengths in IT, OT and products; for example, assigning employees who had previously worked in the railway system business to the strategy division of the digital business.

In Japan, we made provision for side jobs both inside and outside the Company in addition to the existing in-house recruitment system for applying for new posts. [↗](#) Especially for side jobs outside the company, we are implementing a project with the Sony Group where employees from the Sony Group take side jobs in R&D or business development at the Hitachi Group and vice versa. This helps provide opportunities for open innovation and is producing results such as creating opportunities for organizations and employees at both companies to gain a new perspective and make business contacts. By incorporating opportunities for career autonomy and collaboration in an open style environment, we will not only improve the skills of individual employees but also foster a mindset of thinking about the growth of the Hitachi Group as a whole, and by leveraging the power of diverse employees, we will create innovation.



Scheme of talent exchange project through side jobs