SUSTAINABILITY
ACTION BOOK
2024

HITACHI
Inspire the Next

Deliver new perspective to all.

Hitachi
Solutions

S
X

SUSTAINABILITY
TRANSFORMATION

HITACHI
Inspire the Next

Hitachi Solutions, Ltd.

Deliver new perspective to all.

A borderless world in which globalization and digitalization push forward, and the fusion of reality and the metaverse becomes the ordinary. The realization of a circular economy and ethical consumption, through all people undertaking environmental actions under gamification. A society in which people in every land have access to clean water and safe medical services, and can freely connect with and learn from each other at any time through ideas and thoughts.

Through assured technologies and advanced solutions, Hitachi Solutions will co-create with colleagues worldwide to achieve such a society. Doing so through an open network powered by diverse individuals, we will serve as a presence that spreads excitement to all and that achieves a society in which no one is left behind.

Hitachi Solutions SX

CORPORATE PHILOSOPHY

MISSION
— Our Corporate Philosophy —

Look forward and spearhead change. Create a bright future for the global community collectively with reliable technologies and advanced solutions.

VISION
— Our Management Vision —

Deliver new perspective of globalization and digitalization to all.

Accelerate collaboration that inspires revolution. Build societies in which new values can be enjoyed by everyone.

VALUES
— Value that we Cherish —

"Collaborate openly"
"Step into the future"
"Encourage the desire to challenge"
"Spread excitement"
"Act with integrity"

VIEW MORE
See the Corporate Introduction video here

VIEW MORE
See more information on our Corporate Philosophy here

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Editorial Policy

We have produced this report with the aims of redefining our reason for existence as a company and of communicating to stakeholders our efforts to realize SX[*1], including our renewed Corporate Philosophy and our SX Project aimed at transforming ourselves. We also introduce our co-creation activities aimed at the enhancement of environmental value, social value, and economic value.

*1 SX: Sustainability Transformation
* Company names, product names, and logos in this document are trademarks or registered trademarks of their respective companies.
* Content in this document is as of September 2024. Company names, product names, and other content in this document are subject to change.

Through our business operations, we aim to help solve social issues and achieve the Sustainable Development Goals (SDGs).

SUSTAINABLE DEVELOPMENT GOALS

Hitachi Solutions

AT A GLANCE

Hitachi Solutions' Current Position

Amid a succession of great changes, we have built up a solid record of achievements in step with our customers, co-creation partners, and other diverse stakeholders. Based on data quantifying these achievements, here we briefly introduce our current position.

VIEW MORE
See more information here

Number of employees*

Non-consolidated

4,955

Consolidated **14,470**

Our non-consolidated company currently has about 5,000 employees. With Group companies included, our workforce is about 15,000 employees.

Number of Group companies*

17 countries **29** sites

Japan **4** companies
Overseas **8** companies

The diverse human resources of our Group companies in numerous countries cross barriers of cultures and customs to demonstrate their individuality while collaborating among bases. We are expanding our business globally.

* As of the end of March 2024

Number of customers*

5,744 companies

Companies in every industry, professional and technical fields, civil servants... All are B to C our stakeholders.

Major alliance partners

- Amazon Web Services, Inc.
- AppDynamics International Ltd.
- Array Networks, Inc.
- Atlassian Pty Ltd.
- Automation Anywhere, Inc.
- BlackBerry Limited
- Business Engineering Corporation
- Cloudera, Inc.
- CrowdStrike, Inc.
- Docusign, Inc.
- Fortinet, Inc.
- Google Cloud Japan G.K.
- HashiCorp, Inc.
- Juniper Networks, Inc.
- Microsoft Corporation
- monday.com Ltd.
- Okta, Inc.
- ORACLE CORPORATION JAPAN
- Orca Security, Inc.
- Palo Alto Networks, Inc.
- PTC Japan K.K.
- Salesforce Japan Co., Ltd.
- SAP Japan Co., Ltd.
- SAS Institute Japan Ltd.
- ServiceNow Japan G.K.
- Snowflake Inc.
- Splunk Inc.
- Talend, Inc.
- Workday, Inc.
- WingArc1st Inc.

Number of alliance partners*

142 companies

Our number of new contracts, too, is steadily increasing. We forge alliances with startups with innovative technologies to spark co-creation.

Major awards received (from 2023)

- Recipient of "Okta APJ Distribution Partner of the Year" from Okta, Inc. in 2022 and 2023
- Recipient of global awards in the "Dynamics 365 Supply Chain" category and "Dynamics 365 Services" category from Microsoft Corporation (U.S. subsidiary 2023)
- Recipient of award in the "Low Code Application Development" category of "Microsoft Japan Partner of the Year 2023" awards from Microsoft Japan Co., Ltd. (2023)
- Recipient of sixth consecutive "Partner of the Year" award from Business Engineering Corporation in "mcframe Award 2023" (2023)

Number of external organizations*

122

We join external organizations to contribute to the advancement of the industry, companies, individuals, and regions through our business and corporate activities.

Number of sales partners*

169 companies

We are working to expand our sales network, including establishing sales partnerships with leading Japanese companies that possess advanced software technology and outstanding business know-how.

Number of procurement partners*

351 companies **5,643** individuals

We certify outstanding companies with technical capabilities and experience that match the needs of our business as Excel Partners, and are working to strengthen cooperation with these.

OUR VISION

Toward a vibrant 2050 society where no one is left behind

Our ideal for the Company in 2030

From a company that builds systems to a company that co-creates new value with others. Maximizing our domestic and overseas Group synergies, we deliver new experiences and horizons to people around the world.

Deliver new perspective of globalization and digitalization to all.

Means of realizing value provided
Co-Creation and Technology

Supporting co-creation and technology
People and Organization

Achieving a sustainable society
Value Proposition

Support for international initiatives
Management Platform

Transforming to realize our vision
SX Project
⇨ P. 07

VISION 01

Equal quality of healthcare in both urban and rural communities

It will be possible to assess patients' living conditions through sensors and remotely perform check-ups on patients at home. Advanced medical care will be accessible from any location.

VISION 02

Master craftsmanship converted into digital data

By turning knowledge from highly specialized, difficult-to-transfer skills into data, the craftsmanship of artisans will be easily reproducible.

VISION 03

Anyone can connect with each other and learn freely

Through blockchain and other cutting-edge technologies, people will be able to learn freely, safely, and reliably.

VISION 04

Major advancements in preventive medicine

Daily vital data will be shared with hospitals and attending physicians through wearable devices. Even the slightest signs of illness will not be missed.

VISION 05

Faster, more comfortable travel

Drone taxis, self-driving shuttles, and linear motorcars, will overcome distances and make mobility easy.

VISION 06

Leisure activities that contribute to the environment

Consideration of the environment will be a given. Contributing to environmental conservation will be possible through all manner of activities, even entertainment.

Hitachi Solutions' SX

Hitachi Solutions' SX

New days. New encounters.

A society in which people with diverse values,

spanning generations, organizations, and sectors,

are able to connect, live, learn,

and make dreams come true,

all while coming and going in open networks.

Individuals change. Their environments change.

With a sustainable society as our aim,

we will strengthen and expand our ties

with colleagues worldwide.

Environmental value
Societal value
Economic value

Enhancement of three values

Our Company

Business activities

Corporate activities

Co-creation

Customers

Sales partners

External organizations

Alliance partners

Procurement partners

Wide-ranging stakeholders, creating the future together

Teaming up to co-create with colleagues worldwide, we will spur transformation toward an exciting future.

Our SX breathes new value into our customers' futures and into society. At the core is co-creation with customers, partners, regions, communities, and other parties. We seek to enhance environmental, social, and economic value by further accelerating co-creation that connects wide-ranging stakeholders and connecting a chain of value creation.

SX for society

Creation of value that leads to sustainability, together with wide-ranging stakeholders

We will refine our cutting-edge digital technologies and, through co-creation with customers and other wide-ranging stakeholders, will create new solutions that connect to sustainability for society.

VIEW MORE
See more information on our priority businesses here

Customers and society

Industry
IT
Energy
Smart Life
Mobility

Digital marketing
Smart City & Location Intelligence

Security
Workstyle innovation

Co-creation Services

Smart manufacturing

Eight priority businesses

Smart mobility

Business collaboration

Digital acceleration

SX for our Company

Transformation of employees' mindsets and work styles, originating in DX[*1]

We are undertaking transformation of our organizations overall while advancing philanthropic activities, environmental initiatives, DEI[*2], human rights initiatives, and strengthening of our management platform, including our health and productivity management and data-driven management.

Philanthropic activities

Promotion of DEI

Health and productivity management

DX

Respect for human rights

Data-driven management

Environment

Governance

*1 DX: Digital transformation
*2 DEI: Diversity, equity, and inclusion

Top Dialog

— Management Round Table —

Creating a future of greater excitement, playfulness, and joy in society

With co-creation at the center of our business and corporate activities, the Hitachi Solutions Group is expanding its network with partners worldwide who share our vision.
New encounters born of crossing different domains.
Hitacho Solutions President and Chief Executive Officer Tsugio Yamamoto met with Sachiko Nakajima and Hiroyasu Koma, who tackle everyday work with a sense of playfulness to create a society in which all can feel joy, to talk about what matters for a sustainable society.

Hitachi Solutions, Ltd.
President and
Chief Executive Officer

steAm, Inc.
Representative Director
and President

Serendix Inc.
Representative Director
and President

Tsugio Yamamoto

Tsugio Yamamoto joined Hitachi, Ltd. in 1978. After serving in positions including General Manager in the Financial Information Systems Business Division and Executive Officer and CEO of the Financial Institutions Business Unit, he was appointed President and CEO of Hitachi Solutions, Ltd. in April 2021. In that position, he has engaged in active communication with employees and has introduced a succession of groundbreaking systems aimed at human resource development and business creation. He has further taken the lead in bottom-up promotion of SX.

Sachiko Nakajima

Sachiko Nakajima graduated from the Graduate School of Mathematical Sciences at the University of Tokyo and completed the ITP Master's program at the New York University Tisch School of the Arts. She was the first Japanese female gold medalist at the International Mathematical Olympiad and is also active as a jazz pianist. She was appointed a Thematic Project Producer at EXPO 2025 in Osaka, Kansai. In addition to her activities as a media artist, she works to popularize STEAM education as a representative director of steAm, Inc. and Corporate Officer of the general incorporated association steAm BAND.

Hiroyasu Koma

After graduate school study at Kyoto University, Hiroyasu Koma established Koma Enterprise in 2000. In 2010, he established GLM Co., Ltd., which received the first EV sports car certification for a Japanese venture. In 2018, he launched Serendix Inc., which develops 3D printed housing. In 2021, he established Folofly Inc., which develops and sells next-generation automobiles and provides environmentally friendly infrastructure services.

01. Hoping to spread the joy of connecting while resonating across boundaries

Yamamoto Today, we've invited you two as guests who read coming societal changes and take the lead in tackling new fields. I hope to exchange views on your main activities at present and on achieving a sustainable society. It's a pleasure to have you here today.

Koma I currently run an infrastructure technology company providing smart delivery vehicles that reduce energy costs, as well as Japan's first 3D printer housing manufacturer. At a glance, people typically see these as having nothing in common. But the basic technologies are the same, and we're making use of automobile industry manufacturing know-how in the housing industry. Progress in the horizontal division of labor means that a number of technologies can be deployed across different industries, which makes it possible to tackle major projects at a low initial cost.

Nakajima I studied mathematics while playing jazz piano. From my 30s, I've come to feel that music and mathematics are very similar as creative endeavors that involve fun. I began undertaking activities that connect music and mathematics, and my interests have spread out to different worlds, including manufacturing. It was around this time that I came across STEAM. There is no single answer. An era of combining varied things to create on one's own. "Thinking" like scientists and mathematicians, rather than "learning" science and mathematics. "Creating" like musicians, artists, and engineers. My interest was piqued by a sort of dynamism that's not about "A or B" but rather about a fast-moving cycle of knowing and creating.

Yamamoto I think what's needed now is people thinking and acting on their own, in the way you two do. I can feel the need to incorporate STEAM concepts into our employee education and elsewhere. In FY2022, we launched our SX Project as an initiative to create a future in which everyone can feel the sort of excitement that is also a part of STEAM's concepts.

02. Enjoying the challenge of turning even failures into positives

Yamamoto We launched the SX Project out of the alarm we felt that the Company could be left behind if we're unable to help improve environmental value, social value, and economic value through our varied activities. Over the three years since I took office as president, I've continued to think deeply about how we should change our behavior. What's needed in order for the young people who will lead the next generation to think and act on their own? I sought to first have the whole company get behind employees who are willing to tackle solutions to social issues, while ensuring diversity and psychological safety. Nothing changes with a top-down approach. With a bottom-up approach, people in the individualistic young generation think for themselves. I see the role of those of us in top management as offering support to make this possible.

Top Dialog

Playing in a world of creative volatility with no single answer, at times through IT and the five senses

Moving ever forward with a sort of excitement like a school festival

Together, I want to nurture and expand playfulness aimed at a sustainable society

steAm, Inc.
SACHIKO NAKAJIMA

Serendix Inc.
HIROYASU KOMA

Hitachi Solutions, Ltd.
TSUGIO YAMAMOTO

As our Company envisions it, SX means breathing new value into our customers' futures and into society. At the core is co-creation with customers, partners, regions, communities, and other parties. We seek to enhance environmental, social, and economic value by connecting a chain of value created through co-creation.

Nakajima I've heard that in the SX Project, all participants put forth ideas, pool their strength to realize the ideas, and generate results. Everyone has a mindset of ownership and is endowed with a sense of personally creating the future. I think it's a really valuable initiative. As you've said, this is a time when companies should change their behavior. People in Japan are relatively bad at thinking on their own, expressing their opinions, and moving forward without fear of failure. I think a factor behind that is the long education people have undergone to prevent failure.

Koma Startups are able to take on challenges without fear of failure. That's because when

TOPICS

steAm's initiatives

Led by Sachiko Nakajima, steAm engages in activities that connect diverse points to expand a playful world rich in creativity, under the STEAM (Science, Technology, Engineering, Art/Arts, Mathematics) concept being advanced around the world.

results aren't achieved, the startup can instantly rethink things. This just isn't easy to do in a large company. In my company, a lot of people are on temporary assignment from large companies. We half-jokingly ask them to gain lots of experience with failure.

Yamamoto In our company, we've launched a program to support employees creating startups. Our aim is to develop human resources who can tackle social issues from an SX standpoint and who can commercialize services capable of competing against the world. Employees enter ideas in two-person teams. The final selected team is posted to Silicon Valley in the U.S. for one year. When the service is judged ready to be offered, the members can go independent from our company and work on growing the business. So far, we've sent out eight people in four teams. It's very gratifying to see a business grow and achieve independence, but I also believe that even it ends in failure, that's not failure in the true sense. If the people who come back after the business failure can use that knowledge in their next work, the experience will have been a meaningful and valuable one. The first team that we sent finally broke through the company establishment phase. This was an outcome obtained through great pains amid harsh conditions. What heartened me most was that there were employees who had the spirit to take on challenges. From here on out, I want to carefully nurture an atmosphere of encouraging endeavors without fear of failure.

03. Community encounters foster diversity and expand the joy of new discoveries

Koma I think the greatest strength of startups is the ability to start with a small number of people.

It's possible to do whatever you want, together with like-minded people. The early stages of a startup are really fun. There's a sense of moving ever forward, while embracing a sort of excitement like a school festival. As these small communities overlap and expand, more and more things become possible. Hardships and worries increase as well, of course, but I get a sense of accomplishment day by day while having fun meeting people.

Yamamoto Young people are good at creating communities, aren't they. In our company, too, there are communities centered on young employees. There's a flow that's starting to naturally come into being, by which those employees' activities spread to organizations and people outside the company to form an ecosystem.

Nakajima I think there are a lot of things that can't be done alone but that become possible when people hold a broad perspective and combine their strengths. I'm now working with diverse people at EXPO 2025 in Osaka, Kansai. When I'm with someone visually impaired, I come to naturally touch things around me and become able to sense where sounds are coming from. When with someone deaf, I notice my gestures becoming bigger and my face becoming more expressive. I start to feel that closed-off sensitivities are opening up, and I realize that what a person can and can't do is a matter of personality. Disabilities, illness, gender, nationality, race... Through diverse encounters, I hope to build relationships where we first get along and from there can move bit by bit into deeper talk.

Yamamoto I also have apprehensions about connections between people, of the sort you two have talked about. During the COVID-19 pandemic, our rate of working at home hit 90%. Even now, 70% of our people work from home, and online conversation has become the norm.

Koma Employees at our company work from home, except for on-site employees who need

TOPICS

3D-printed houses

Founded by Hiroyasu Koma, Serendix Inc. is the first company in Japan to achieve commercialization of 3D-printed housing. The company can build a house in 24 hours, making homes available with the feel of buying a car. The company continues tackling the challenge of using the world's most advanced digital data to make the impossible possible.

to see worksites. There are online places and offline places. Both have merits and I think it's important to make separate use of them, such as staying offline when trying to understand a person, and going online in situations that have progressed to the decision-making stage.

Nakajima Online communication has opened up a lot of possibilities. It's even possible to get help from housewives who are raising children and who face constraints on their time. Music can be distributed online, but there's also a quality to music that can only be enjoyed live. Combining the online and offline allows diverse sessions in different genres at locations all over the world.

04. Creating a sustainable future together by utilizing the AI and data that hold the keys

Nakajima Communities that are places to meet and that respect diversity, and places for co-creation that inclusively accept those communities and move them forward, will play very important roles, I think. If we're able to create mechanisms by which something is

Top Dialog

Koma — born from that and society takes action, the formation of a sustainable ecosystem will become easier.

Koma I agree that diversity is an essential element in co-creation. The frameworks of conventional industries are mutually widening in scope. Both the automotive industry and the housing industry are changing their business models, from simply selling goods to, for example, using AI to instantly create varied design patterns and selling those through subscription models. A company on its own cannot fully cope with such great changes. I think it won't be able to survive without a way of incorporating diversity and co-creation that leverage others' differences as strengths. The importance of AI and data is also increasing.

Yamamoto How to ensure reliability is a key issue when deploying generative AI in a solution or service. This has to be carefully considered, in terms of ethical aspects as well. Systems have also appeared by which companies offering generative AI are certified by third-party organizations. We, too, want to strive toward the technology's popularization while fulfilling our social responsibilities.

Nakajima Data undoubtedly holds a vital key to the next generation. For AI, the questions are what sort of data is being used and what sort of algorithms is the AI running on. To an extent, I think we run the risk of being at the mercy of AI if we don't use it with understanding. I think that trying out AI on your own leads to learning and mastering it, without reading textbooks or working out problems.

TOPICS

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Playground of Life: Jellyfish Pavilion

The signature pavilion produced by Sachiko Nakajima under the theme project "Invigorating Lives" at EXPO 2025 in Osaka, Kansai, this installation takes as its concept "STEAM A journey in pursuit of excitement – Life dances, life sings, life opens."

05.

AI is a friend. Having fun together will be the essence of human resource development

Nakajima Thanks to technologies like the Internet, social media, AI, and low-code and no-code development, we live in a time when anyone can become a creator. I express this with the term "democratization of creativity." Going from an unknown yesterday to a celebrity today is not an impossibility on streaming video sites. We're no longer in an age that separates the digital from the analog. People co-create with all kinds of other people to realize their wishes to do some thing. When a new technology appears, people incorporate that and create all over again. Through trial and error, they build up experience in creating. Technology will eventually remove constraints in the real world. For example, even when physical strength declines in old age, through digital technologies people will be able to do and enjoy a lot more. I think we're approaching an era in which "playgrounds" like STEAM for adults will increase and psychological safety with respect to technology will grow, even as sensitivity and physicality grow more important than ever.

Yamamoto Nakajima's ideas and actions for bringing out the strengths inherent in everyone are all instructive. To maximize the abilities of people, I think it's also important to review whether a job matches the person. Our company has a job matching program aimed at employees in their third year with the company. We've also introduced a Professional Elder Program for skilled workers aged 50 and up, and an FA Program that we've expanded throughout the Hitachi Group. We're aiming for workplaces where human resources of any generations can work with motivation, without being bound by the frameworks of organizations.

Koma I also believe that diverse human resources maximizing their performance is the most important thing in promoting co-creation. In organizations, AI can already be viewed as a human resource. It's capable of doing in a few hours what would take a human months. If you request a detailed design or something, though, you can get ridiculous results. AI has strengths and weaknesses. I think it's important to use it in ways that make use of its strong points.

Nakajima In everything, I think play is important. Something like a blank space for things you feel you like or find interesting is very important. To me, play is where this is born. I also feel that the experiences of questioning and being questioned have been too few in society so far. The ability to question is going to grow in importance. To gain that, being questioned is necessary. This is because it's through being continually questioned that the ability to create questions is gained. By playing via IT in creative worlds in which no single answer exists, a lot of things become more fun. I want to create mechanisms like that.

Yamamoto There are a lot of people with ideas in our company. I hope to build on this meeting with you two, and together nurture and expand "playfulness" aimed at a sustainable society.

VIEW MORE
See more information here

Promotion of sustainability management

The SX that is promoted by our Company originates in our VISION (Management Vision) that defines our ideal for ourselves in 2030. Because we are in the era of VUCA, our Company has come together as one to undertake business and corporate activities grounded in co-creation with diverse stakeholders, aiming for a sustainable society that embraces hope. Deliver new perspective of globalization and digitalization to all. By offering excitement, fun surprises, and innovative technologies born of open activities, we will keep on running forward as a pioneer of change, aiming to realize a society in which all are able to live comfortable and healthy lives in harmony with the environment.

VIEW MORE
See more information on our SX Project initiatives here

FY2023

ハロー、みんなのSX。

日立ソリューションズ

Approach to sustainability management

Revision of MVV
What is our ideal for the Company in 2030? What social value should we provide? Explore our reason for being, primarily through workshops led by young employees. Revise our MVV (Mission/Vision/Values) and formulate a long-term Vision.

Identification of important issues (materialities)
Discern the issues that should to be addressed to achieve a sustainable society, and identify points to focus on in achieving our Vision. Tackle the formulation of materialities from an approach originating in social issues.

Setting of non-financial KPIs and goals
Set non-financial KPIs and goals that connect our formulated materialities to action. At the same time, work to raise the motivation of the people and organization that support management.

Linkage with our Medium-Term Management Plan and monitoring
Plan and execute our Medium-Term Management Plan with a view to long-term growth. Monitor our degree of achievement toward our materialities. Assume utilization that flexibly responds to changes while undergoing tuning.

FY2025

Management evolution

Promotion of 2027 Medium-Term Management Plan

FY2024

Preparing to Put Sustainability Management into Practice
- Bottom-up drafting and promotion of SX measures
  - Setting and management of non-financial KPIs and intangible assets
  - Establishment of youth-centered sustainability communities
- Study of sustainability management visualization (dashboard)
- Promotion of SX collaboration with the Hitachi Solutions Group

Business expansion

Promotion of SX Investment
- Creation of a business model that contributes to sustainability
- The challenge of switching from our current business

Transformation of recognition

Promotion of Human Capital Management
- EX enhancement, DEI promotion
- Setting and promotion of personal targets for realizing SX
- Promotion of balancing nursing care with job

Promotion of Environmental and Philanthropic Activities
- Contribute to a carbon neutral society and recycling-oriented society
- Visualization of philanthropic activities, promotion of activity planning

Personal identification and co-creation

Sustained Corporate Communications
- Evolution of information disclosure through Sustainability Action Book, introduction to SX activities globally
- Communication of information such as examples of co-creation and advanced technologies with SX as theme
- Launch of internal and external communities that promote future creation and co-creation

FY2022

New Corporate Philosophy Formulation

Formulation of SX Promotion Guide

SX Investment

DX/SX Commercialization Sustainability Idea-thon

SX Study Group panel discussion

SX Branding Project

Materiality Formulation
Through backcasting, form a concrete image to be achieved. Accelerate initiatives aimed at achieving our Management Vision.
⇨ P. 17

SX Investment
Implement Company-wide investment (social/environmental value) for the creation of sustainability-conscious business models and the transformation of current business. In FY2023, we approved six cases and held one Company-wide reporting session.
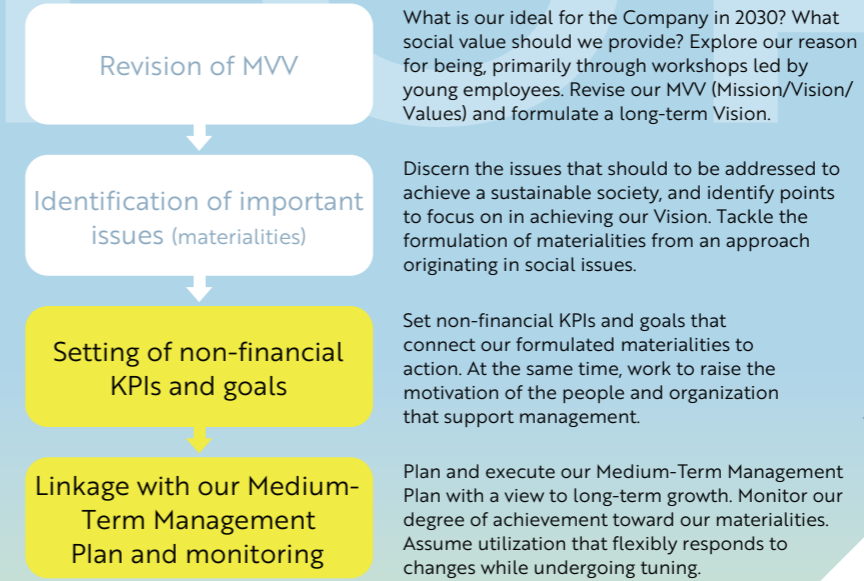⇨ P. 26

Branding
Promote branding activities that communicate our corporate image.

Fostering of Corporate Culture
Implementation of in-house online talk events and SX Study Group sessions.

FY2021

Formulation of overall plan for SX Project

Materiality Formulation Project

We newly defined key issues that should be prioritized to achieve the Management Vision that expresses our future ideal. We set indicators (KPIs) necessary to ensure the execution of action plans for specific materialities. By working to enhance our long-term corporate value from the perspectives of value proposition, people and organization, technologies, and relationships with stakeholders, we aim to instill Hitachi Solutions' SX deeply into the daily activities of management, business, and employees, and to further widen understanding toward and identification with customers and partners.

VIEW MORE
See more information on our materiality formulation process here

The materiality identification process

STEP 01 — Toward realization of our Management Vision
Embodiment of the ideal for the Company
Through backcasting, form a concrete image to be achieved. Accelerate initiatives aimed at achieving our Management Vision.

STEP 02 — Creation of proposed materialities
Narrowing down of materiality candidates
Aim for transformation into an organization that engages in business and corporate activities that meet stakeholders' expectations and demands.

STEP 03 — Prioritization of proposed materialities
Analysis of risks and opportunities
Prioritization based on a Company-wide questionnaire and on analysis and study from the multi-angle perspectives of compatibility with international rules.

STEP 04 — Identification of materialities
Recognition of the gap with the current situation
Summarization of a final draft of materialities presenting a major gap with the endpoints of our current measures and with our Management Vision.

Materialities that accelerate the realization of our Management Vision

To realize our new Management Vision, we launched a project to clarify priority issues to address, and to connect them to actions. We worked to enhance our long-term corporate value.

● Approach to Management Vision materiality formulation

Demands of international rules

Issues in realizing our management vision — Gap with Management Vision — Social issues with major impacts

Uncertainty and future trends

● Comments on the Company-wide questionnaire (excerpt)

- Couldn't priority issues be set in a more Hitachi Solutions-like way?
- The wording could lead to different interpretations or discrepancies in perception
- An image of what the materialities aim for would make them easier to understand
- Materialities that express a pioneer spirit are needed

STEP 01 — Management Vision
Deliver new perspective of globalization and digitalization to all
Accelerate co-creation that inspires revolution. We took action to formulate materialities for achieving a society in which all can benefit from new value.
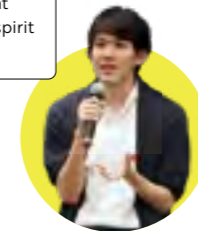
Corporate Philosophy ⇨ P. 01

STEP 02
Hold materiality formulation workshop
We held a workshop consisting of 30 next-generation leaders and five mentors. There we narrowed-down long-term priority issues to realize our Management Vision for 2030, incorporating the opinions of stakeholders that were interviewed during the formulation of that vision.

STEP 03
Make improvements based on the Company-wide questionnaire
We conducted a questionnaire to survey all employees on materiality candidates. The high response rate of 90% showed increasing momentum toward personal involvement.

● Employee response rate

90%

STEP 04
Formulate a final draft through the workshop members
Based on the ideal drawn by our Management Vision, the gap with our current situation, and the demands of international initiatives, young employees worked out content, summarized it through discussions with executives and mid-level employees, and incorporated comments received through the Company-wide questionnaire and received through internal and external stakeholder interviews during the formulation of our Management Vision.

Hitachi Solutions' Materialities ⇨ P. 19

Hitachi Solutions' Materialities

VIEW MORE
See more information on our materialities here

To achieve our ideal of "Deliver new perspective of globalization and digitalization to all." by 2030, based on Hitachi Group's six materialities and 15 sub-materialities and based on gaps with our current initiatives, we identified our long-term materialities to be addressed.

Achieving a sustainable society

Value Proposition

Materialities	Our ideal
Build a safe and secure borderless society through digital technology	Through co-creation with partners around the world, we will tackle the challenge of providing safe, secure technologies that support a borderless society.
Integrate value creation processes to solve societal challenges	Through a chain of value created by involving partners and a chain of new value created by utilizing data and by solving single issues, new issues will be discovered and different forms of value will be created. We will solve ESG-related and other wide-ranging social issues through a chain of new value creation.

Through co-creation with customers and partners, we aim to help solve social issues and to achieve the Sustainable Development Goals (SDGs).

SUSTAINABLE DEVELOPMENT GOALS

Means of realizing value provided

Co-Creation and Technology

Materialities	Our ideal	Corresponding SDGs
Bring together stakeholders to accelerate co-creation	Through co-creation aligned with customers' issues, we will team up with varied stakeholders and accelerate the creation of new value that forms ecosystems.	
Design new experiences through pioneering use of cutting-edge technology	By acquiring and utilizing cutting-edge technologies at the forefront of society, we design wide-ranging new experiences, from exciting user experiences to examinations of new businesses based on data utilization.	

Supporting co-creation and technology

People and Organization

Materialities	Our ideal	Corresponding SDGs
Promote DEI and draw on the strengths of diverse talent	We achieve DEI by working to ensure psychological safety that enables motivating, active roles for human resources who differ in gender, age, and nationality, as well as in diversity of backgrounds and ways of thinking.	
Build a highly agile organization that can take on greater challenges	We aim to foster an organizational culture in which people support one other so that individuals and teams who agilely respond to the demands of society can voluntarily tackle the challenge of new businesses.	

Support for international initiatives

Management Platform

Materialities	Our ideal	Corresponding SDGs	
Contribute to a decarbonized society	Through the proposal of solutions for our customers and through initiatives and technologies aimed at reducing our own greenhouse gas emissions, we will contribute to a decarbonized society.		
Promote human rights initiatives	Through the promotion of human rights initiatives in business activities, products, and services, even extending to supply chains, all of our employees will act with strong awareness of human rights.		
Promote employee health and safety	Through the prevention of harassment and overwork within the Company along with the implementation of health promotion measures, we will create an environment allowing employees to demonstrate maximum value while enjoying both physical and mental health.		
Raising the level of supply chain management	We will achieve a sustainable supply chain by managing any vulnerabilities in our supply chain, optimizing our procurement in line with the circumstances in each country in which we operate, and ensuring compliance with all applicable laws and regulations.		
Enhance governance framework to support growth	By carrying out transparent and fair corporate governance that enables the enforcement of compliance and response to diverse risks, we will support companies' sustainable growth.		

Correspondence between Hitachi's Materialities and our Company's materialities

● Hitachi's Materialities

Materialities		Sub-materialities
Environment	Contributing to decarbonization and resource circulation	Decarbonization
		Resource circulation
		Harmonize with nature
Resilience	Contributing to the maintenance and rapid recovery of social infrastructure	Strengthening supply chains
		Maintaining social infrastructure
Safety & Security	Contributing to safe and secure society-building	Safe and secure urban environments
		Ensuring cyber security
Quality of Life	Contributing to physical and mental wellness and a prosperous life	Connected and prosperous society
		Employee happiness
Business with Integrity	Adhering to ethical standards as well as respect human rights	Business ethics and compliance
		Respect for human rights
		Occupational safety
		Safe and secure products and services
Diversity, Equity and Inclusion (DEI)	Contributing to a society where everyone can shine	Diverse organization that fosters innovation
		Contribution to a diverse and equitable society

● Our Company's materialities

- Contribute to a decarbonized society
- Raising the level of supply chain management
- Build a safe and secure borderless society through digital technology
- Enhance governance framework to support growth
- Promote human rights initiatives
- Promote employee health and safety
- Promote DEI and draw on the strengths of diverse talent
- Build a highly agile organization that can take on greater challenges
- Bring together stakeholders to accelerate co-creation
- Design new experiences through pioneering use of cutting-edge technology
- Integrate value creation processes to solve societal challenges

Our uniqueness

Correspond to all materialities

Value Proposition

Build a safe and secure borderless society through digital technology

ACTION 01

Automation of software vulnerability management: Service for managing SBOMs

POINT

1. Automation of sharing and management of vulnerability information
2. Promotion of information sharing within the supply chain
3. Support for compliance with various industry standards
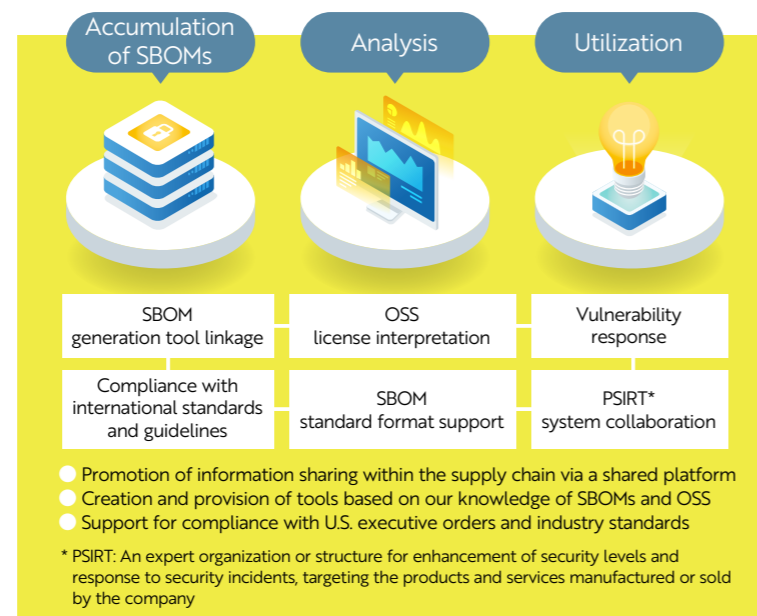4. Seamless linkage with development tools

Support for strengthening the supply chain

In a vast range of fields, open source software (OSS) has taken on an indispensable presence. Cyberattacks that target vulnerabilities are increasing rapidly. Amid this, attention is focusing on security measures leveraging SBOMs. The service centrally manages the SBOMs that companies handle and makes risks visual.

Centralized management of SBOMs on a shared platform

The OSS used in complex configurations at several stages of the supply chain entails risks that include license violations and falsification. By centrally managing SBOMs that were generated through different tools, the service automatically detects vulnerabilities on the basis of the latest information. This strengthens collaboration through information sharing within the supply chain and enables rapid decision-making.

Providing a platform for SBOMs (Software Bills of Materials)

Accumulation of SBOMs — Analysis — Utilization

| SBOM generation tool linkage | OSS license interpretation | Vulnerability response |
| Compliance with international standards and guidelines | SBOM standard format support | PSIRT* system collaboration |

- Promotion of information sharing within the supply chain via a shared platform
- Creation and provision of tools based on our knowledge of SBOMs and OSS
- Support for compliance with U.S. executive orders and industry standards

* PSIRT: An expert organization or structure for enhancement of security levels and response to security incidents, targeting the products and services manufactured or sold by the company

Linkage — Import — Lookup — Linkage

SBOM generation tool (Commercial tools, OSS, etc.) — Manually created SBOMs — Information sharing among supply chains — External systems
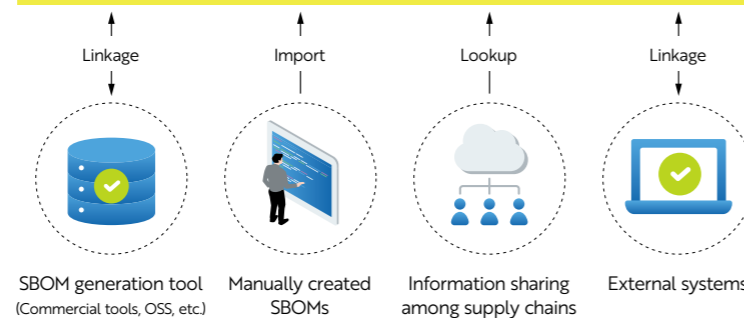
Main functions of the SBOM Management Service

Shared platform	Enables sharing of information across companies and organizations, streamlining of communications, and central management of information
Best practices for utilization of SBOMs	Enables storage and utilization of SBOMs to promote their use and eliminate vendor lock-in
Building of trust in the supply chain	Automatically carries out vulnerability surveys, reduces the cost of vulnerability monitoring work, and is able to respond in line with severity

ACTION 02

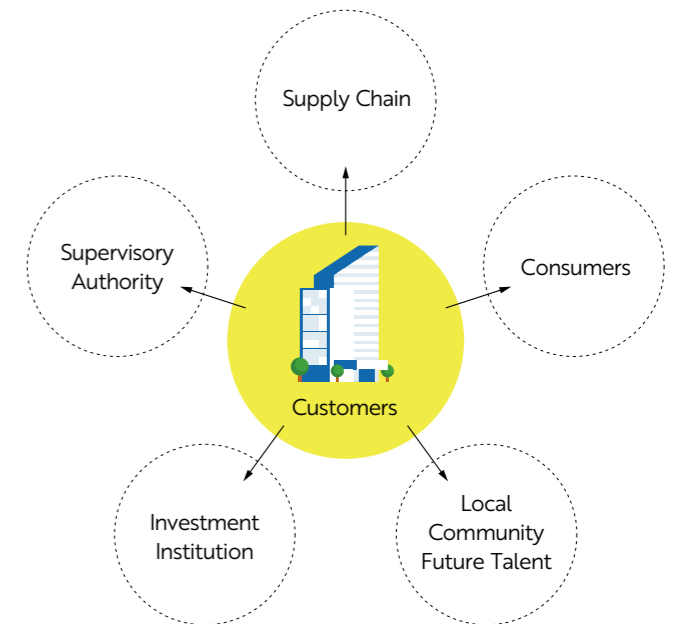# Cyber resilience that supports customers' sustainability management

POINT

1. Systemization in accordance with NIST SP 800-160 Vol. 2 Rev. 1
2. Support for business continuity through about 70 flexible services
3. Over 20 years of extensive experience and a track record in consulting
4. Diagnosis and analysis of the current situation from a comprehensive, top-down perspective

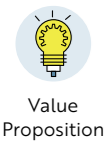## Taking security from "defense" to "business continuity"

Threats to customers' security, which in a networked society can widely impact the lives of the public, are ever increasing. We support the strengthening of cyber resilience through comprehensive services in line with NIST SP 800-160 Vol. 2 Rev. 1 international guidelines.

Enhancement of required cyber resilience

What cyber resilience is needed to minimize damage to a business in the event of an attack? We provide customers with optimal solutions for the continuity of their businesses. We do so in terms of four capabilities: prediction capability that diagnoses, manages, and corrects vulnerabilities; resistance capability that localizes damage; recovery capability to rapidly respond to damage; and adaptability through the strengthening of education and organizational capabilities.

Supporting the realization of a sustainable society through the provision of value in the security field

Supply Chain · Supervisory Authority · Consumers · Customers · Investment Institution · Local Community Future Talent

Cyber resilience capabilities that companies should prepare

CYBER RESILIENCE

Adaptability — Strengthening of education and organizational capabilities
Prediction capability — Diagnosis, management, and correction of vulnerabilities
Resistance capability — Localization of damage
Recovery capability — Rapid recovery from damage

Value Proposition

Integrate value creation processes to solve societal challenges

ACTION 01

Idea generation workshops by Yokohama Future Organization: Online co-creation space

VIEW MORE
See more information here

Conceptualizing ideals for the future city Yokohama online

Yokohama Future Organization is working to lay the foundation for an innovation city through collaboration among industry, academia, government, and the public. Recently, the organization held workshops aimed at generating business ideas for Yokohama in 2027. Our online co-creation space was used to hold idea generation workshops over the course of a month from November to December 2023.
We further held discussions in February 2024 in Yokohama to receive opinions from citizens and refine ideas.
We are now carrying out studies in a hybrid online/real format and incorporating diverse opinions with a sustainable "future city Yokohama" as our aim.

POINT

1. Participation is possible at any time, from any place
2. All processes are online, from idea generation to closing
3. Makes use of simple, easy-to-use tools

Making full use of tools that are possible online

We ran practical workshops that let anyone refine ideas while having fun learning. These featured tips on broadening the image of the businesses using public cloud-based idea support tools, and closing sessions that boosted business potential by narrowing down the envisioned users and the provided value.
By actually putting generated ideas into motion and producing prototypes to let participants experience the ideas, the workshops expressed the value of ideas in concrete ways and contributed greatly to the success of project.

ACTION 02

Accelerating SX through advanced AI: Initiatives for generative AI

VIEW MORE
See more information here

AI engineering promotion and AI human resources development

In 2020, we established the AI professional group AI CoE. This group works with technology departments inside and outside the Company to consolidate advanced AI technologies and connect them to development. Our Company is also making efforts to develop over 650 Hitachi data scientists. Our aim is to turn out AI human resources.

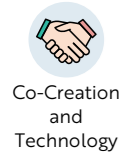Number of Hitachi Data Scientist Certified Engineers
Over 650

POINT

1. Promotion of the use of generative AI across the company
2. Provision and enhancement of a proprietary generative AI usage environment
3. Provision of added value through cooperation with overseas venture companies
4. Support for the formulation of rules and the development of guidelines

Support for strengthening governance through AI

We have signed a distributor agreement with Robust Intelligence, Inc. (headquarters: California, USA; CEO: Yaron Singer) to offer the Robust Intelligence risk detection and management platform that lets companies use AI safely and reliably. Based on risk diagnosis and analysis results, we provide judicious consulting that includes the development of guidelines for the appropriate use of AI. We support the governance strengthening and the AI utilization risk countermeasures demanded of companies.

Diagram of Robust Intelligence

AI risks	Continuous risk verification throughout the life cycle of AI applications (Continuous Validation)		
Quality risks	Development		Operation
Ethical risks	Selection of data preparation model	Embedding of adjustment system in model	Deployment, operation, and maintenance
Security risks			Performance improvement reporting

Co-Creation and Technology
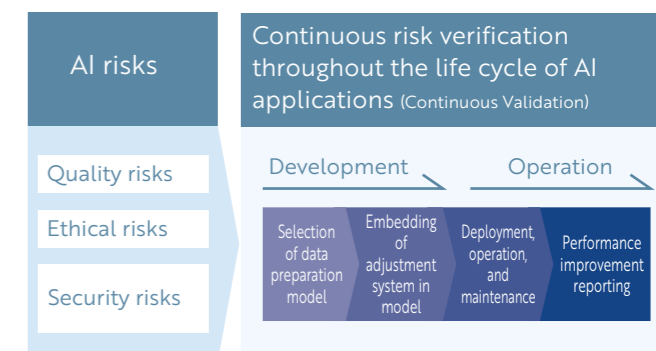
Design new experiences through pioneering use of cutting-edge technology

ACTION 01

Next-generation decentralized networks: Web3.0

VIEW MORE
See more information here

Distributed management of information using blockchain

Blockchain is a technology that manages data in units of blocks that are stored as a chain. Unlike the current centralized Internet, blockchain manages data that is distributed among participants, making falsification of data virtually impossible. Servers are not needed to store information, which lessens the risk of information leaks.

Full support for the creation of mechanisms that can be operated with confidence

We offer a diverse menu of solutions using advanced blockchain technologies. We support the creation of mechanisms for unrestricted digital data sales and monetary remittances between individuals. We strongly support the formation of highly trusted communities open to society, for purposes including regional revitalization by local governments and management of virtual currencies and points issued by retail and distribution businesses.

POINT

1. Direct interactions among participants are possible
2. Achieves secure exchange of digital assets
3. Extensive solutions expand options for use
4. Contributes to the realization of highly reliable supply chains

ACTION 02

Liaison activities for unearthing advanced overseas technologies

VIEW MORE
See more information here

Business expansion through advanced overseas technologies

Since the establishment of our liaison office in Silicon Valley in 2007, we have unearthed advanced technologies well suited to the Japanese market, primarily in the United States. In collaboration with venture capital firm DNX Ventures, we currently sell products from over 50 companies to customers in Japan.

2007
Establishment of site in Silicon Valley

Through collaboration with startups, we have uncovered advanced technologies in the U.S. and have applied those within our business strategies.

2023
Expansion of areas for investment

In cooperation with venture capital firms, we have been expanding our product discovery areas beyond the U.S. and into Europe and Israel. We have been working to develop alliances and to discover advanced sustainability-related, generative AI-related, and other advanced technologies.

Cumulative number of contracted companies

74 companies
(as of the end of March 2024)

POINT

1. Deployment of personnel at Silicon Valley site
2. Contracts with a cumulative 74 overseas vendors
3. Expansion of our product discovery areas to Europe and Israel
4. Early discovery of advanced products such as generative AI

ACTION 03

SX Investment

We are investing in projects with high social and environmental value, including pioneering initiatives aimed at the circular economy and empowerment of female human resources. We aim to provide swift services and solutions that accelerate SX for our customers.

Main businesses advanced under the initiative

- Decarbonization support in the supply chain
- Management of environmental information
- Contribution to ESG management
- Support for active careers by women
- Support for in-house side jobs

Co-Creation and Technology

Bring together stakeholders to accelerate co-creation

Obayashi Corporation ✕ Hitachi Solutions

New value for smart buildings. The birth of Oprizon, an industry standard realized through co-creation

Silicon Valley. In this land where unknown possibilities intersect, Obayashi Corporation discovered in smart buildings clues to the creation of new value for the construction industry. What the company tackled through co-creation with Hitachi Solutions was the fusion of IT with building management. Networks, applications, ESG. This marks the birth of an open platform that implements the services demanded of smart buildings. While cutting across the construction industry, it is beginning to lead the rapidly growing smart building market as well.

CO-CREATION DIALOG 01

TALK MEMBERS

Hiroto Sato
Oprizon, Ltd.
Representative Director and CEO

Bahadir Gultekin
Oprizon, Ltd.
Director and COO

Akira Yamamoto
Obayashi Corporation
Engineering Division
Information Engineering Department
Deputy Director, Information Section

Togo Oshima
Hitachi Solutions, Ltd.
Smart Society Solution Division
Urban Solution Department
Senior Engineer

Toward the desired future
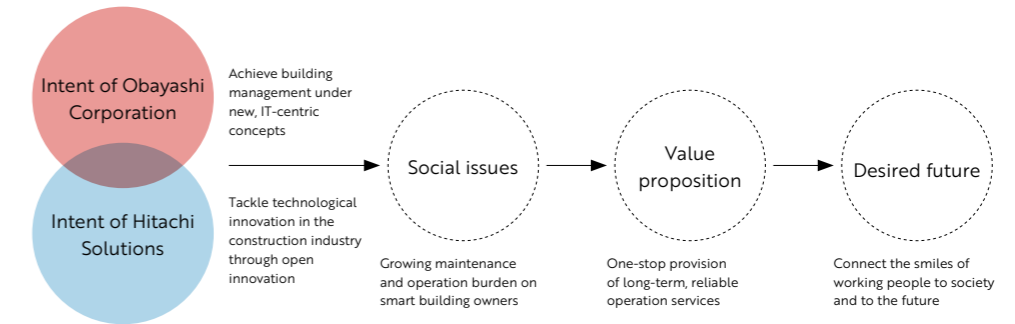
Seizing business opportunities through novel collaborations born in the climate of Silicon Valley

Sato Hitachi Solutions had a prominent presence even in Silicon Valley. I took the plunge and approached the company about cooperation in the area of smart buildings. The company agreed on the spot. Its action after that, too, was so responsive and apt.

Gultekin Obayashi Corporation's ideas were compelling to us as well. However, if it had been in Japan, I don't think the discussions would have progressed so smoothly. That we were able to happily work together based on free-flowing ideas may be thanks to Silicon Valley's open network climate.

Sato Hitachi Solutions had things lacking in Obayashi Corporation, such as knowledge of databases, networks, and other aspects of IT infrastructure, a wealth of security-related products, and experience in service operations. By contrast, we have approaches to the target market that Hitachi Solutions lacked. I think we were able to build an excellent partnership that complements each other's shortcomings.

Toward openness. The ultimate choice: An industry-standard joint venture sought together

Sato What building management companies so far have been able to cover extends as far as architecture, equipment, air conditioning, and electricity. We were

keenly aware of the need for a new type of IT-centric building management.

Gultekin We wanted to expand our new smart building business across the construction industry through co-creation with Obayashi Corporation. Energizing the industry through open innovation is what we had in mind.

Sato As the goal of our co-creation, our thinking was identical on the point of industry standards. To achieve that, we chose the joint venture style of business. Safe and easy-to-use networks, cutting-edge building applications, and managed ESG services that provide information gathering and reporting functions for energy usage and CO_2 emissions are the strengths and the characteristic features of Oprizon.

Oshima Right from the preparation stage, every day was exciting, full of expectations and premonitions. We want to contribute to a sustainable society through advanced solutions in areas including security, where we can boast many achievements, and construction of cyber-physical systems employing AI and digital twin technology. A building is a place where people work. We intend to realize smart buildings that make working there feel fun, convenient, and comfortable.

Yamamoto Together with the defining of smart buildings by Japan's government, discussions on smart city concepts centered on that definition are ramping up. "Urban OS" has also attracted attention as a new form for cities in Japan. Amid this, Oprizon, the top batter in the industry, has already launched concrete initiatives aimed at smart buildings. What kind of chemical reactions will be sparked through open innovation? We have hopes for the birth of new innovations.

VIEW MORE
See more information here

CO-CREATION DIALOG 02

Co-Creation and Technology

Bring together stakeholders to accelerate co-creation

Kishokai Medical Corporation ✕ Hitachi Solutions

Aid for well-being with the support of medical professionals, for a society in which women can actively work

As women make further advances in society, in many cases they may face concerns and unease over physical ailments and life stage changes unique to women, with no one nearby to consult with even as conditions worsen. Through co-creation with Kishokai Medical Corporation, Japan's largest perinatal medical institution, we launched a "femtech"-focused service that supports the active careers of female employees. We support the creation of environments in which women can remain actively working in both physical and mental good health.

TALK MEMBERS

Kazunari Nagatomo
Kishokai Medical Corporation
Corporate Officer

Tomio Nakagami
Kishokai Medical Corporation
CMO
General Manager, Marketing Division

Fumikazu Ogura
Hitachi Solutions, Ltd.
Smart Life Solution Business Division
Smart Work Solution Division
Department Manager, HR Solution
Development Department

Yuri Shintani
Hitachi Solutions, Ltd.
Smart Life Solution Business Division
Smart Work Solution Division
HR Solution Development Department
Group 1

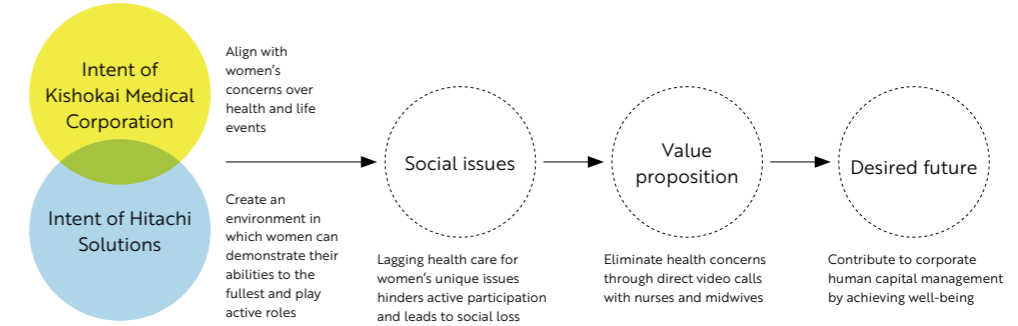### Online consultation with appropriate advice from experts

Shintani   As health and productivity management initiatives move forward, the concept that companies will address women-specific issues and provide care is starting to spread.

Ogura   While exploring business in the area of femtech, we learned about Kishokai Medical Corporation's activities and wanted to offer solutions encompassing new value through co-creation.

Shintani   Users deal directly with experts in Kishokai Medical Corporation's online consultation service, and satisfaction with the service seems very high. In an actual trial conducted by our company, 93% of respondents reported that the ability to access the service at any time would be good. The human resources-oriented management service that we provide is in use by over 1,500 companies with over two million users. Through the addition of our service that supports the active careers of female employees, now enhanced with online consultations, we hope that interest in femtech will further grow.

Nakagami   We introduced online consultation in response to the COVID-19 pandemic, which made us feel the need for a service enabling easy consultation from home via video call. This was a community-oriented service that we started so that patients could spend their maternity life with peace of mind. Through co-creation with Hitachi Solutions, it became possible to connect with employees of the companies nation-wide that are adopting our human resource-oriented management service and provide high-quality medical care services.

Laying a "foundation of fairness" for DEI through health care for women

Nagatomo   It would be great if we could also consider a mechanism allowing more casual consultation using the chat function feature of the human resources-oriented management service. Health issues can also be affected by hard-to-see factors such as workplace human relationships. By leveraging data from the human resources-oriented management service overall, I hope that we'll be able to provide even higher-quality medical care services.

Shintani   Some employees feel that obstetrics and gynecology presents a high hurdle, and so put up with their conditions. I want to foster a corporate culture of everyone, men included, providing care for women's health.

Nakagami   I want to be of help in disease prevention and otherwise solving the health problems of working women, by making it easy for those who can't easily go to ob-gyn clinics to connect.

Nagatomo   Being able to get correct information from ob-gyn experts from early stages is hugely significant, I think. Women can use Bell Network with confidence, as its midwives reply according to solidly unified protocols. While the importance of DEI is loudly proclaimed, a lot of people still fail to understand women's concerns. There are also those who question preferential treatment given only to women.

Shintani   As expressed by the "Equity" component of DEI, it's important to lay a fair foundation allowing everyone to demonstrate performance. Toward that end, I want to work to raise awareness of DEI.

Ogura   The national government is trying to create a society with active participation by women, and includes the word "femtech" in government policy. Through collaboration with Kishokai Medical Corporation, we want to achieve a society in which women can work with peace of mind.

Toward the desired future

Intent of Kishokai Medical Corporation — Align with women's concerns over health and life events

Intent of Hitachi Solutions — Create an environment in which women can demonstrate their abilities to the fullest and play active roles

Social issues — Lagging health care for women's unique issues hinders active participation and leads to social loss

Value proposition — Eliminate health concerns through direct video calls with nurses and midwives

Desired future — Contribute to corporate human capital management by achieving well-being

People and Organization

Promote DEI and draw on the strengths of diverse talent

ACTION 01

DEI initiatives at Hitachi Solutions

VIEW MORE
See more information here

Spearheading DEI through career advancement support for women

There is a perception taking root in society, that companies that are receptive to active roles for women are comfortable places for both women and men to work. Our Company was at the forefront in enhancing programs to support active roles for women. Toward workplaces where all employees can play active roles, we are working to revitalize organizations and enable all to maximize their creativity.

Creating career plans one on one, with the future in mind

Particularly among the younger generation, many people seek to advance their careers by changing jobs. This tendency is seen as especially strong in the IT industry. Life plans, including programs for childbirth, childcare, and nursing care, are also many and diverse. Our Company practices monthly one-on-one dialogues. For everyone requesting consultation, we consider the individual's aptitudes and offer advice on suitable career paths. An employee can take advantage of job descriptions to accept jobs that offer work and compensation suited to the individual as a specialist. We do all we can to support endeavors aimed at advancing careers and gaining experience.

VOICE

Hitachi Solutions, Ltd.
Satoko Tsukiori
Executive Officer
General Manager, IT
Platform Business Division

Hitachi Solutions, Ltd.
Yuko Yamada
Business-Innovation
Business Division
Digital Insight Service
Division Department
Manager, Digital Insight
Service Department 1

Toward a workplace conducive to work by all, through promotion of active roles for women

Tsukiori DEI can be considered an essential part of management from here on out. Ahead of other companies, our Company has enhanced maternity, childcare, nursing care, and other programs for balancing life and work. I think these are being maintained at a fairly high standard. The circulation of a positive air born from the increased psychological safety also leads to enhancement of performance and enrichment of individuals' life plans. I want to enliven the company's free climate and foster a mindset of taking on challenges.

VIEW MORE
See more information here

POINT

1. Communication of messages from top management
2. Implementation of Diversity Month
3. Promotion of hybrid work styles
4. Introduction of a job-oriented, advanced professional position structure
5. Launch of a childcare leave site for men

Strengthening efforts to make diverse human resources shine more brightly

Seeking to create an organization in which diverse human resources maximize their individuality and continue to tackle challenges autonomously and agilely through force of will, we have begun the introduction of a young employee job matching program for job-oriented human resource management, and trial implementation of an in-house side jobs program. We have introduced systems for career advancement into management positions as well as for the formation of a career as a specialist. Through this, many engineers who have acquired professional knowledge and advanced skills in IT are expanding their areas of activity.

Percentage of men taking childcare leave

(%)

FY	Value
2019	60.4
2020	40.8
2021	51.5
2022	90.1
2023	97.8
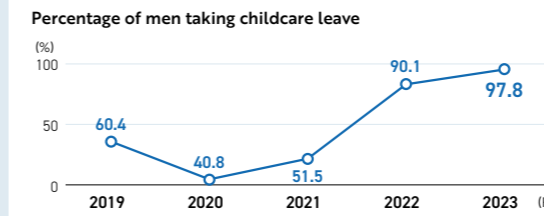
* Numerator: Of employees whose spouses have given birth in the fiscal year, the number of employees who have taken childcare leave in the fiscal year (including leave taken in single-day units)
  Denominator: The number of employees whose spouses have given birth in the fiscal year
* Published values based on the Childcare and Nursing Care Leave Act and the Women's Active Promotion Act and the Act on the Promotion of Female Participation and Career Advancement in the Workplace are 105% for FY2022 and 102% for FY2023. (Numerator includes men whose spouses gave birth in the previous or earlier fiscal years.)

Promotion of childcare leave for men

Achieving DEI requires creating an environment in which men and women alike can share in childcare and housework. We are working to promote the use of leave through means including launching a special web page for childcare leave by men and asking men eligible for leave to register expected dates for taking leave. We have also introduced work styles that combine remote work and full flextime. We aim to create a workplace where employees of all attributes can actively work in ways matched to their household situations.

ACTION 02

DEI initiatives by Group companies

Joint events by Group companies

As part of our aim to operate as an organization that fully leverages individual diversity, we have established a Diversity Month during which Group companies jointly host lectures by external experts and panel discussions with employee participation. In FY2023, we did so under the themes "Creating Organizations amid Diversity," "Understanding LGBTQIA+," "Unconscious Bias," and "The Appeal and Challenges of Mid-Career Hire Employees."

People and Organization

Promote DEI and draw on the strengths of diverse talent

ACTION 03

Initiatives for EX enhancement to accommodate diverse senses of values

VIEW MORE
See more information here

POINT

1. Young Employee Job Matching Program
2. Professional Elder Program
3. In-house FA Program
4. Idea-thon with participation by all employees
5. Startup Creation Program

Improved performance by placing the right people in the right places

Our Young Employee Job Matching Program lets employees in their third year with the Company respond to in-house job offers while considering their own career plans. The In-house FA Program lets employees respond to calls for in-house human resource recruitment. We support autonomous career development. We are also working to enhance engagement for all generations, through means such as the introduction of the Professional Elder Program that makes use of the experience and know-how of employees over the age of 56.

Encouraging self-growth through endeavors

We conduct Idea-thons with participation by all employees to solicit ideas for new projects and philanthropic activities aimed at solving social issues. The most outstanding ideas are materialized as projects. Our Startup Creation Program, which supports startups in Silicon Valley, has yielded examples of a company establishment based on decisions by local venture capitalists. We back up the endeavors of young human resources.

ACTION 04

Development of young human resources with the involvement of overseas subsidiaries

Try out new technologies! Application Contest

Busy with everyday work, employees have few opportunities to gain new skills outside the technical areas of their work. As more and more people work from home, the environment for young human resources is changing. The Company launched the Application Contest in 2022 as a new initiative to break down the status quo. Its purposes are (1) Mastering Microsoft Power Apps and (2) Tackling new technologies. While meeting those goals, teams create the applications they themselves want and compete on the basis of outcomes.

The latest contest was won by a team with three members from Japan and two members in their second year with a Group company in the Philippines. They developed an application that enables restaurant searches based on evaluated points in recommendations. AI, which is compatible with Power Apps functions, is incorporated into the emotion analysis of review comments performed by the app.

VIEW MORE
See more information here

Members of the Hitachi Solutions, Ltd. Industrial Innovation Business Division Global Division Department 4 who took on and won the Application Contest:
(left) Sho Muramatsu   (center) Miona Okada   (right) Xuechen Zhao

Global education in English for new employees

We began global education for new employees, aiming for global business mindsets at an early stage. The training is conducted entirely in English. Indian engineers from Hitachi Solutions India Pvt. Ltd. an overseas Group company, served as instructors. With a focus on gaining Microsoft Dynamics 365 skills, we conducted online hands-on experiential sessions on topics such as programming and basic skills for development.

VIEW MORE
See more information here

Becoming individuals who think and act on their own

A single team in the Company that expands our business globally. Thoughtfulness toward one another, cultivated among members across language barriers. The bonds forged of tackling difficulties together. Becoming individuals able to respect each other while thinking and acting on their own. The spirit of wholeheartedly backing up the endeavors of young employees provides a tailwind for growth.

Members of the Hitachi Solutions, Ltd. Industrial Innovation Business Division Global Division Department 1 who tackled global education for new employees in English:
(left) Yuto Takeuchi   (center) Taiga Inoue   (right) Mikitaka Inoue

People and Organization
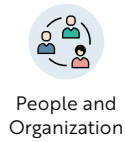
Build a highly agile organization that can take on greater challenges

VOICE

Naoko Ito
Hitachi Solutions, Ltd.
Corporate Strategy
Management Group
Executive Evangelist
Deputy General Manager,
Strategy Planning Division

Hiroshi Amakawa
Hitachi Solutions, Ltd.
Sales Operations,
Telecommunication & Social
Sales Division
Department 4, Group 2
Manager

VIEW MORE
See more
information here

Launching a project aimed at balancing work and nursing care

Amid the imminent arrival of a "super-aging society" in Japan, the Ministry of Economy, Trade and Industry estimates that business caregivers will number 3.18 million by 2030*[1], and is now examining guidelines for support measures. Measures to combat reduced productivity and initiatives to avoid job separation associated with providing nursing care are also indispensable to sustainable management. In our Company-wide Idea-thon in FY2022, "Balancing work and nursing care" was selected as the top theme. Nursing care is a major challenge from the perspective of work style reform. The development of systems for making full use of employees' talents, along with initiatives to prevent nursing care-related job separation undesired by employees, was a truly urgent matter. We introduced LCAT*[2], a system for making nursing care-related risks visible to support the balancing of work and nursing, and implemented it for all employees. When faced with providing nursing care, 65% of respondents with knowledge of nursing care said they expected to be able to continue working, while only slightly over 30% of respondents without knowledge of nursing care reported the same. In addition, 80% of respondents named superiors as parties they could consult with in such cases, while 60% named HR. This has resulted in renewed awareness of the importance of having knowledge of nursing

care. We are strengthening initiatives to improve nursing care literacy among both employees and managers. Looking ahead, we plan to reform awareness within the Company as well as to make meaningful impacts on society through connections going beyond the Company.

*1 Reference: Ministry of Economy, Trade and Industry, "Nursing Care Policy: Trends in Indicators for the Balance of Work and Nursing Care"
*2 Lyxis Care Assistant Tools: A support system for balancing work and nursing care, provided by ChangeWAVE Group, Inc.

Amagawa In response to many requests, we opened the "Nursing care! And Work! Community" in-house. Over 200 employees are now participating. At the initial stage of the idea, I thought it would be great to have something like an information platform connecting caregivers. As the originator, I'm very happy to have been able to achieve my wish in this form.

Ito I find it significant that a key theme directly relating to the strengthening of agility came about through an Idea-thon. Nursing care is by no means a negative. I want to be involved from a stance not of offering help but of thinking about the issue together.

VOICE

Masahiko Inoue
Paletter, Inc.
Founder, CEO

Atsushi Ueda
Paletter, Inc.
Co-Founder, CMO

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information here

From launch to scaling up: Setting businesses born from the Startup Incubation Program on the track to growth

Paletter, Inc. was established under the Startup Creation Program that supports entrepreneurship in Silicon Valley. After a year of activities that included verification of the business idea, the venture migrated to a new phase in April 2024. While focusing on additional fund-raising, the company aims to scale up its business. Paletter, Inc.'s business involves AI-based soft skill evaluation tools in the HR field. When people are evaluated by other people, outcomes are often influenced by feelings and subjectivity. Moreover, the capabilities emphasized in evaluations vary from company to company. By contrast, Paletter, Inc. supports optimization and efficiency in matching through AI learning-based scoring that allows a company to use its own standards in the judging of soft skills that are difficult to verbalize and standardize. With the aim of provision as a cloud service, the company has undergone repeated technical verification and has made refinements to the handling of legal aspects as well. The company is taking every precaution to ensure that the use of video interviews images does not create concerns over personal information and privacy, reflecting conditions

in the United States and Europe in the operation of the service. With a serious commitment to creating startups, Hitachi Solutions will continue to tackle the challenge of creating a world unafraid of risk.

Ueda For our company, "startup" has the meaning of creating a business that solves social issues with a sense of speed. This is also consistent with our corporate philosophy of "Look forward and spearhead change. Create a bright future for the global community collectively with reliable technologies and advanced solutions."

Inoue I think there's meaning in daring to create a startup, not a small, low-risk business. At our company, we seek to develop global human resources who possess a spirit of challenge, with top management leading from the front. Japanese people have a strong tendency toward avoiding risks. I'd like people to not be too afraid, and to change how they view risk even a bit. I also want people to seize opportunities.

Startup Incubation Program

Our Startup Incubation Program, which lets employees tackle the role of Silicon Valley entrepreneur, was created with the aim of nurturing global human resources who can take on social issues from the perspectives of SX and who can turn services into businesses. For endeavors that do not successfully achieve independence, we have prepared a safety net for returning to the Company. We operate the program with the support of the Silicon Valley venture capital firm DNX Ventures.

Management Platform
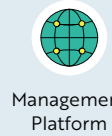
Contribute to a decarbonized society

ACTION 01

Environmental initiatives

Together with Hitachi Digital Systems & Services, our Group has been constructing and expanding our environmental management system based on the international ISO14001 standard, for which we received certification in 2001.
We integrated all of our affiliates in Japan into the Hitachi Solutions Group site in July 2016, and acquired certification as Hitachi Manufacturing System & Service Businesses.
We are undertaking initiatives for carbon neutrality and energy conservation, with a decarbonized society as our aim.

✓ Initiatives for carbon neutrality

Our Company is working toward the Hitachi Group's goals of carbon neutrality through the value chain by FY2050 and carbon neutrality in plants and offices by FY2030.

Result of our CO_2 emissions reduction at plants and offices (compared to FY2015)

59% reduction

✓ Initiatives for energy conservation

Through consolidation and renewal of offices in response to new work styles, the promotion of paperless offices, and education to promote actions such as turning off of unnecessary lighting, our Company is working to conserve energy.

Rate of reduction in use of energy, etc. (compared to FY2019)

Electricity usage	Office paper usage	Combustible waste discharged
30% reduction	**79**% reduction	**65**% reduction

✓ In-house Environmental General Education

In the Environmental General Education that we conduct every year, we incorporate topics on the Act on Promotion of Resource Circulation for Plastics to publicize the content of the Act and matters that we should address.

Education attendance rate

FY2021	FY2022	FY2023
96%	95%	99%

✓ Solicitation of eco-ideas and eco-slogans

To highlight the environmental initiatives that employees practice every day and their unique ideas, every June we solicit eco-ideas and eco-slogans in-house.

Outstanding eco-idea and eco-slogan submissions in FY2023

Sustainable – Don't let it end as a buzzword

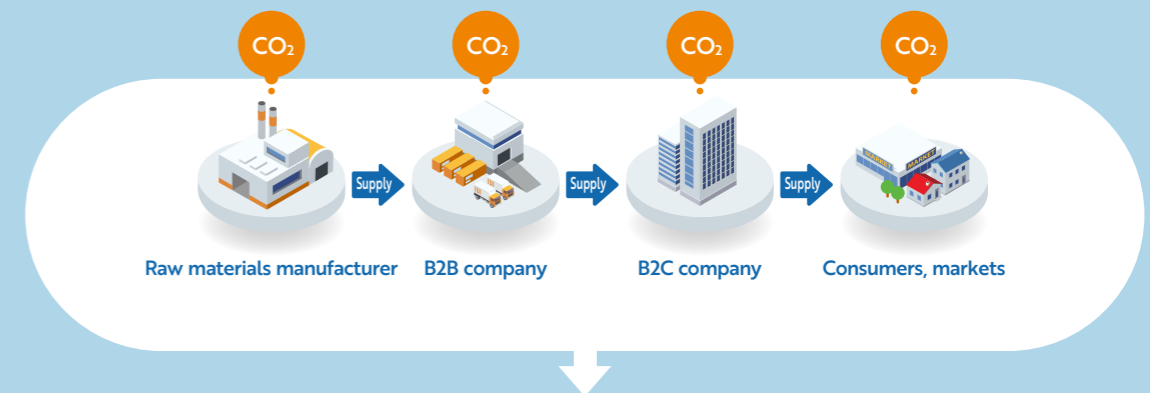Global warming – now is the time to do something

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TOPICS

Services that support decarbonization in the supply chain

With climate change measures a shared issue worldwide, reducing CO_2 emissions to achieve carbon neutrality by 2050 has become an urgent issue for many companies. While companies face demands to enact measures and initiatives to reduce CO_2 emissions, this CO_2 reduction can often run up against companies' short-term interests. For that reason, companies must clarify issues to be addressed now in their roadmaps leading to 2050, and must enact initiatives that consider a balance with profit. We offer a menu of solutions that support decarbonization in companies, allowing them to address the different challenges that each faces.

CO_2 emitted across the supply chain

Raw materials manufacturer → Supply → B2B company → Supply → B2C company → Supply → Consumers, markets

! Services that address corporate issues and support decarbonization in the supply chain ✓

Collection and visualization of CO_2 emissions at the company level	Calculation and visualization of CO_2 emissions per product	Measurement, management, and reduction of suppliers' CO_2 emissions	Forecast of future long-term and short-term CO_2 emissions	Sustainable reduction initiatives as a company
Services that manage environmental information By registering corporate activity data in an environmental information database, this service centrally manages the environmental information of companies and organizations to support analysis, countermeasures, and disclosure work.	AI-based LCA decarbonization platform **Makersite** Through entry of data from companies' ERP[2] and PLM[3] into AI/ML[1] models based on the achievements of initiatives in Europe, the platform achieves automation of LCA[4]. Scope 1 to 3 GHG[5] emissions reports, including supplier emissions, can also be output to support companies' decision-making for decarbonization. -------- Supplier company scoring **EcoVadis** This service aids the collection, evaluation, and improvement of supplier information based on ESG principles.	Emissions forecasting & GX-ETS[6] support **Services that Simulate SCM for Global Business** By simulating medium- and long-term future CO_2 emissions, this service achieves optimization of companies' supply and CO_2 emissions.	Co-creation aimed at decarbonization **SX/DX Future Creation Workshop** We provide workshops for companies' realization of decarbonization and execution of SX and DX. We support new value creation by companies in response to the latest market and industry trends.

*1 ML: Machine Learning
*2 ERP: Enterprise Resource Planning (integrated system for core work)
*3 PLM: Product Life cycle Management
*4 LCA: Life Cycle Assessment (of products and services)
*5 GHG: Green House Gas
*6 GX-ETS: Green Transformation - Emissions Trading System (an emissions trading system in the GX LEAGUE)

Management Platform

Promote human rights initiatives

ACTION 01

Human rights initiatives

We view business activities that demonstrate respect for human rights as a responsibility that all companies must fulfill. To clarify the responsibilities of companies in respecting human rights, in 2013 Hitachi, Ltd. formulated the Hitachi Group Human Rights Policy in line with its corporate philosophy and the Hitachi Group Vision. Hitachi positions the policy as one of the highest-level norms within its internal rules. Based on the Hitachi Group Human Rights Policy, our Company engages in human rights awareness-raising through in-house education, initiatives for human rights in the supply chain, operation of consultation desks, convening of Human Rights Awareness Promotion Committee meetings, and other actions aimed at creating an environment in which all employees can act with human rights in mind. In July 2021, we took part in the "My Human Rights Declaration" project supervised by the Ministry of Justice, under which our Company president released a human rights declaration.

✓ Basic approach to human rights

We respect the human rights and other rights of all people. Based on its corporate philosophy and management vision, the Hitachi Group has formulated the Hitachi Group Human Rights Policy and undertakes initiatives aimed at respect for the human rights of all people involved in its products, services, and business activities, not only in our Company but also in the supply chain.
The Hitachi Group Code of Ethics and Business Conduct

lays out the foundation for decision-making and the conduct to be observed by all executives and employees of the Hitachi Group. It clearly stipulates elimination of discrimination and respect for international norms on human rights, human rights associated with information management, and fundamental rights in labor. All of our officers and employees understand and comply with this code of conduct, uphold high ethical standards, and act with integrity and fairness.

✓ Our structure for advancing respect for human rights

We operate the Human Rights Promotion Committee as a structure for advancing the creation of a company that respects human rights. Committee meetings are convened once a year to draft training plans based on the achievements of the previous year's employee training and to conduct internal awareness-raising activities.
We have also established a consultation desk aimed at the prevention and early correction of human rights infractions or other compliance violations (e.g., illegal or inappropriate conduct), and work to quickly solve such issues and prevent their recurrence.

Human Rights Promotion Committee
The 16-member committee is chaired/vice-chaired by executive officers and comprises Department manager-level and higher representatives from management groups and business divisions.

Chair, Vice-Chair

Members: Representatives of management groups/business divisions

✓ My Human Rights Declaration

On July 29, 2021, we took part in the "My Human Rights Declaration" project supervised by the Ministry of Justice, releasing our own "My Human Rights Declaration." This initiative is aimed at achieving a society in which all people respect human rights, through declarations of conduct that respects human rights by companies, organizations, and individuals.

✓ Education related to human rights

We conduct regular human rights awareness education to raise awareness among officers and employees.

Status of attendance in education

Target	FY2021	FY2022	FY2023
One time/year per person	100%	100%	100%

Management Platform

Promote employee health and safety

ACTION 01

Employee safety and health

With prioritization of the safety and health of employees as a basic philosophy, our Company views employee health as an issue for management and is advancing a number of health measures. In recognition of these activities, we were selected for certification as a Health and Productivity Enterprise 2024 "White 500" (Large Enterprise Category) corporation by the Ministry of Economy, Trade and Industry and Nihon Kenko Kaigi.

TOPICS

A variety of health promotion measures

Mental health training

We conduct new training on mental health throughout the Company and at the individual workplace level, and analyze work attendance data. To gain a clear view of factors that lead to leave of absence from work, our Human Capital Management Department has also begun conducting interviews with employees on temporary retirement. Our mental health incidence rate is improving year by year.

Measures to combat lifestyle-related diseases

We have long made efforts to prevent lifestyle-related diseases through proprietary measures that include regular follow-up interviews by industrial health staff with persons who have exceeded certain threshold numbers and who are at high risk. In particular, our blood pressure anomaly detection rate[*] is in the 9% range every year, lower than the nationwide rate of 17 to 18% in past years.

[*] Anomaly detection rate: The proportion of employees undergoing health checkups in whom anomalies are observed

Remote walking events

As the practice of working from home becomes prolonged, we hold remote walking events aimed at promoting autonomous health management by employees. This contributes to improvements in health awareness, habitual exercise rate, proper weight maintenance rate, and blood pressure, as well as to more active communication through team-based effort.

	FY2023
Participation rate	47%
Satisfaction	93%
Enhancement of habitual exercise rate	27%

Health promotion events

We hold health promotion events featuring external lecturers. While about half of the participants did not engage in habitual exercise, the events have yielded comments such as "The explanations were easy to understand and the simple stretching seems easy to keep up every day, so I hope to continue it."

Management Platform

Raising the level of supply chain management

ACTION 01

Value chain management

The Hitachi Group emphasizes sustainable management for the enhancement of environmental, social, and economic value. Within this, the Group also strives to advance sustainability-oriented business activities in the value chain. In cooperation with our procurement partners, we are working to promote sustainable procurement along with activities aimed at building trust with our Excel Partners.

We also work to ensure employees' understanding of our development work regulations and our quality policies that place quality foremost, and undertake activities from a third-party perspective through the Quality Assurance Department. Based on this approach to quality, we offer safe, secure, and convenient solutions through communication with customers and other stakeholders, and contribute to the realization of DX for customers and society.

✅ Cooperation with procurement partners (business partners)

Receipt of Minister of Economy, Trade and Industry Award under the "Declaration of Partnership Building" initiative

The "Declaration of Partnership Building" initiative advanced by the Ministry of Economy, Trade and Industry and other government bodies aims for coexistence and co-prosperity throughout the supply chain. At the 2nd Partnership Building Symposium held in Tokyo on March 25, our Company received the Minister of Economy, Trade and Industry Award. The Declaration of Partnership Building is a declaration, made by a business operator from the standpoint of an ordering party and in the name of a representative individual, aimed at the enhancement of added value across the supply chain and at the coexistence and co-prosperity of companies of all sizes. Since the initiative began in 2020, over 51,000 companies have issued declarations. Our Company issued a declaration in April 2021 and is now working toward "coexistence and co-prosperity across the supply chain and new collaboration that transcends corporate scale and groupings," along with "compliance with ideal transaction practices (promotion standards) between parent enterprises and contractors." In receiving the award, we were recognized in screening by the Partnership Building Award Selection Committee for our stance of co-creation aimed at expanding business and strengthening collaboration with partners through measures including human resource development and human resource matching.

Promotion of optimal procurement according to countries' circumstances

To adapt to the globalization of business, we are strengthening cooperation with overseas partners in China, Vietnam, India, and elsewhere. Holding an awareness of building optimal relationships, in our collaborations we engage in ordering that takes into account the characteristics and potential of individual countries and the active use of Hitachi Group companies with sites in those countries. We also engage in activities not bound by the framework of conventional offshoring, including dynamic monitoring of projects to enhance offshore quality and examination of business co-creation with offshore partners to expand global business.

✅ Initiatives for enhancement of quality

Quality policy and actions in cases of failure

To provide our customers with safe, secure, and trusted products and services, we work to ensure that all of our employees understand our quality policy ("meeting customers' diverse needs and providing trusted solutions"), place quality foremost, and grasp needs and create value from customers' point of view.

In the event of a failure, we place the task of addressing the failure above all other work and quickly assess the facts of the issue and the impacts on business, with restoration of the customer's work as the top priority.

Quality assurance initiatives

Our company has established development work regulations to be observed as standard processes in development work.

These regulations are based on shared frame knowledge systems and the concepts of PMBOK and ISO9001, setting out best practices based on our experiences and track record. All projects follow these regulations to ensure quality from upstream processes onward.

We have also established a Quality Assurance Division as an organization independent of business divisions to provide support and monitoring of project management as well as to conduct quality assurance activities from a third-party perspective and perform pre-delivery inspections to ensure product quality.

✅ Communication with stakeholders

"Hitachi Solutions Day" official game collaborative event with the Tokyo Yakult Swallows

Once a year at Meiji Jingu Stadium, we hold the "Hitachi Solutions Day" official professional baseball game event for customers and their families in collaboration with the Tokyo Yakult Swallows baseball team, of which we are a contracted sponsor. In FY2023, we expanded the scale of the event to welcome over 200 participants, including stakeholders in partner companies and our employees. We hold a variety of events for participants to enjoy in addition to the ball game, such as handing out original hand fans and organizing a "starting member kids" lineup to welcome players taking the field.
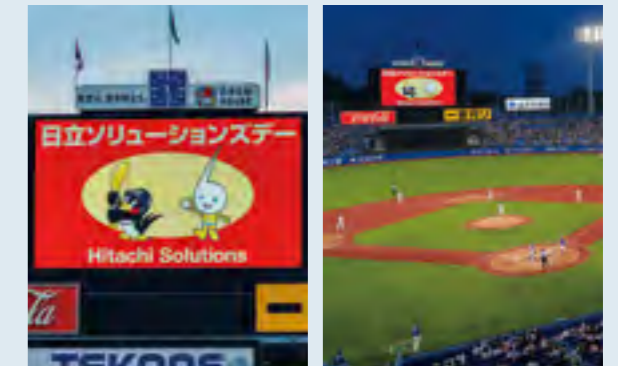
An open community connecting diverse stakeholders

With achievement of a sustainable society as our aim, we launched an open community that values connections with our varied stakeholders and creates a future of excitement for all. Based on Hitachi Solutions' wish to join forces with everyone to realize a sustainable global society in which all can feel inner prosperity, we will engage in activities utilizing online communication mechanisms and events under a variety of themes. Themes include "Global Trends (Advanced Technologies)," "Security," and "Generative AI," with more to come.

Management Platform

Enhance governance framework to support growth

ACTION 01

Management governance

Drawing on our corporate philosophy and maintaining a deep awareness that companies are members of society, we are working to strengthen our corporate governance and to enforce compliance with laws and regulations, based on the Hitachi Group Code of Ethics and Business Conduct that is shared across the Hitachi Group. As a company supporting IT infrastructure and social infrastructure around the world, we are committed to information security. We work to strengthen our management foundation with an emphasis on management governance, including risk management structure development exemplified by business continuity planning (BCP). We support sustainable growth for companies by carrying out transparent and fair corporate governance that enables enforcement of compliance and responses to diverse risks.

✓ Internal control and basic approach to corporate governance

With a deep recognition that companies are members of society, we aim to ensure fair and transparent corporate conduct. Under this policy, we combine the three perspectives of group management, legal demands, and societal demands to develop internal controls, which lead to enhancement of the corporate value of our Group as a whole.
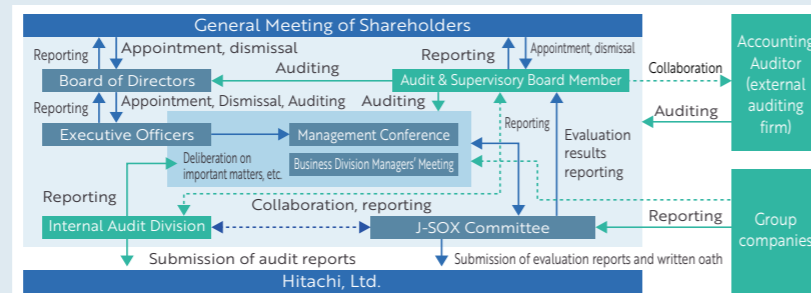
✓ Basic policy and structure for compliance

Our Company places utmost importance on the trust of customers, shareholders, employees, and all other stakeholders, with integrity as our highest priority. To maintain and further strengthen this trust, we uphold high ethical standards, comply with all applicable laws and regulations in countries and regions where we engage in our business, and respect proper business practices. Toward that end, we will make untiring efforts to carry out our mission with integrity, taking the Hitachi Group Compliance Program set forth by Hitachi, Ltd. as our foundation. We have also organized a Compliance Committee to supervise and support the solid practice of management, with an emphasis on compliance.

✓ Basic approach to information security

We conscientiously undertake information security measures in accordance with the Hitachi Group's security policy.
We have established a comprehensive basic policy on information security. All of our employees work with a strong awareness of preventing information leaks and of safeguarding information systems to protect the information security elements of confidentiality, integrity, and availability.
We have developed rules for the handling of confidential information, technical measures for information systems, and a security incident response system to address cyber attacks. We engage in information security measures as a component of risk management and as a social responsibility we bear as a company. We also operate a personal information protection management system based on the personal information protection policy we established in 1998, and have acquired Privacy Mark certification. Our Company is united as one in efforts to protect and appropriately handle personal information, through means including e-learning aimed at all employees and regular audits of operational status.

✓ Initiatives related to business continuity planning (BCP)

Our Company has established and operates systems for responding to large-scale disasters, cyber attacks, and other emergencies, including confirmation of the safety of employees and their families. We also provide IT solutions related to business continuity (BCM and BCP).

ACTION 02

DX initiatives

Acting under our management policy, we undertake DX within our own Company so that we can adapt to accelerating changes in the business environment. Under our vision of providing new experiences that exceeds the expectations of our customers, we are advancing initiatives for the three goals of strengthened points of contact with customers, increased work efficiency, and continuous evolution. These initiatives seek to respond to customers and solve internal work issues through work process reform and expansion of IT infrastructure, with our entire Company – sales, business, management, and IT divisions – working as one to provide customers with better experiences. All of our employees are transforming their everyday actions so that we can connect know-how gained through our own promotion of DX to the realization of customers' DX.

TOPICS

Transformation of sales style through DX

Raising the level of data-driven sales strategies

In sales DX initiatives, we consolidate and aggregate large volumes of sales information scattered throughout the Company into our SFA[1] on a daily basis. By maintaining and managing detailed customer and product masters, we use white space strategy CRM[2], visualized as a "Customer X Product" matrix, as a heat map strategy. Through masking of confidential sales information via data virtualization technology and through real-time sharing of activity status, we make use of safe, secure data utilization within the Hitachi Group. By analyzing accumulated data via AI, we engage in optimal customer proposal activities based on data from success stories. Looking ahead, we will make even greater use of data and generative AI as we strive for safe, secure data utilization to establish a new sales style that coexists with ever-evolving AI.

*1 SFA: Sales Force Automation
*2 CRM: Customer Relationship Management

Hitachi Solutions

GROUP's ACTIVITY

Sustainability efforts together with Group companies

Our Group companies, rich in cutting-edge technologies, wide-ranging industry and business knowledge, and advanced know-how, all demonstrate individuality. By bringing together proprietary system development capabilities honed through co-creation with partners and customers, they achieve the provision of advanced solutions tailored to diverse needs. They also actively engage in philanthropic activities, making the most of each company's business characteristics and ties to their regions.

Initiatives by Group Companies in Japan

Hitachi Solutions East Japan, Ltd.

Individualized education support system
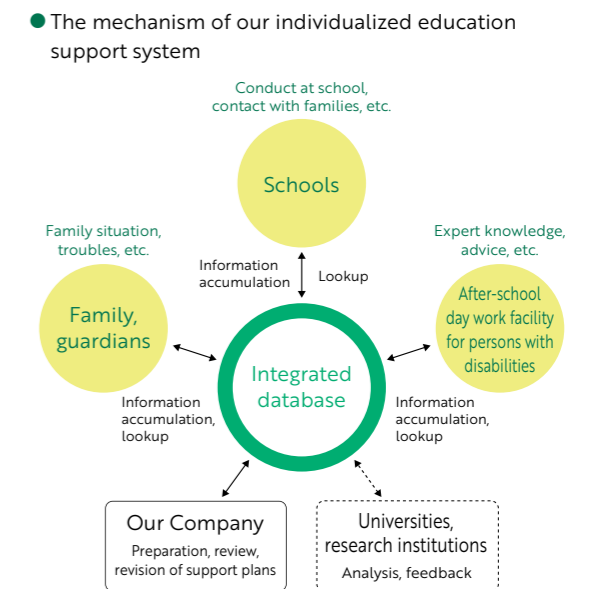## that leaves no one behind

Inclusive education by which people with and without disabilities learn together in the same place. There is a need for the creation of flexible mechanisms matched to regions' circumstances. By providing an ICT platform that enables support tailored to individuals, we support places for learning that respect diversity.

WHO?

Tsukuba, Ibaraki Prefecture

Tsukuba is known as one of Japan's leading cities in education. In partnership with the city, which aims to achieve education tailored to individuals' attributes, we conducted demonstration trials involving elementary schools and other facilities.

WHAT?

Tsukuba Smart City Social Implementation Trial Support Project

Our individualized education support system was adopted as a FY2023 Tsukuba Smart City Social Implementation Trial Support Project. The system, which enables families, schools, welfare institutions, and other parties to easily share appropriate information essential to seamless support, received many comments expressing praise and high expectations.

HOW?

Achievement of life plan support, from school to work, through DX

Through school teachers, children's guardians, and support organizations simply entering children's daily actions and other information in line with checklist items, the system achieves close cooperation among the relevant parties. This enables reduction of workloads and hassle-free sharing of children's status at times such as changeover of supporters. Continuous use of the system from entry into school to the start of employment also enables information to be saved as a portfolio recording growth, and can be connected to long-term support.

● The mechanism of our individualized education support system

Conduct at school, contact with families, etc.

Schools

Family situation, troubles, etc.

Expert knowledge, advice, etc.

Information accumulation — Lookup

Family, guardians

Integrated database

After-school day work facility for persons with disabilities

Information accumulation, lookup

Information accumulation, lookup

Our Company
Preparation, review, revision of support plans

Universities, research institutions
Analysis, feedback

IMPACT Impact on society

Accelerating the realization of inclusive education through ICT

Improvements have been made to the system based on the results of the trial project in Tsukuba. Through ICT, we support the realization of places for diverse learning that support the formation of a society of coexistence.

Initiatives by Group Companies in Japan

Koichi Oe
Hitachi Solutions East Japan, Ltd.
Innovation Business Promotion Headquarters
Senior Engineer
Innovation Promotion Center

Hayato Shimazaki
Top River Ltd.
Representative Director and President

Katsuyoshi Noda
Hitachi Solutions, Ltd.
Corporate Strategy Management Group
Deputy General Manager,
Corporate Planning Division

Hitachi Solutions East Japan, Ltd.

Cultivating the future through DX: Pioneering transformation toward profitable next-generation agriculture through data-based visualization.

"Smart agriculture" initiatives aimed at solving problems faced by farmers, such as the aging and shortage of labor, are accelerating. Through visualization of the vast data held by Top River, which was quick to realize the importance of data and promote the use of IT, Hitachi Solutions East Japan is achieving digitalization in agriculture, where experience and intuition are vital. Its co-creation initiatives aimed at a sustainable society are beginning to bear fruit.

VIEW MORE
See more information here

WHO?

Top River Ltd.

At sites in Miyota, Fujimi-machi, and Kawakami-mura in Nagano Prefecture, Top River mainly produce highland vegetables. Under a philosophy of "make yourself and others happy through farming," it engages in business with a focus on nurturing and supporting the independence of young managers who can lead agriculture in the future. It boasts an impressive track record as a leading company in the agricultural industry.

WHAT?

Breathing new value into agricultural management through the visualization of experience and intuition

The decisive factor in creating profitable farmers is the enhancement of productivity. BI (business intelligence) tools are a means of visualizing the production management component of agriculture, which typically has relied on experience and intuition. Through the accumulation and visualization of the wisdom of skilled farmers, Hitachi Solutions East Japan has enabled the development of sustainable agricultural leaders who hold a management perspective.

HOW?

Contributing to the expansion of producers' profits and the enhancement of management efficiency through effective utilization of data

Stationed on-site to assess the overall production process, we created over 100 BI tool templates. Through trial and error, we undertook optimal data visualization matched to the purpose. Based on data, we achieved digitization in areas including field condition management, subdivision and systematization of work, and calculation of chemical fertilizer spray volume according to reduction plans.

Development of producers

Using data that makes skilled farmers' knowledge and skills visible, we conduct education easily understood by new farmers while presenting objective grounds. As a mechanism for evaluating human resources, we reconstructed the iCD* dictionary, which summarizes matters necessary for stable corporate activities, as the "Agricultural iCD." This is demonstrating efficacy in confirming people's current positions and increasing motivation.

* iCD (i Competency Dictionary): A systematic summary of tasks (work) and skills (capabilities) required for an organization to grow

Construction of a mechanism through IT utilization

- ■ Planting date ■ Harvest date
- ■ Producer forecast ■ AI prediction

The prediction of harvest dates through AI uses a technology called deep learning, taking a different approach from conventional engines that predict harvest time by observing plants' growth status. Anyone can now easily perform analysis even without specialized knowledge of crops. We continue our untiring endeavors to accumulate and utilize tacit knowledge that is difficult to verbalize, including the techniques of skilled farmers.

IMPACT Impact on society

Agricultural work style reform through DX: Making agriculture a well-being business

Japan's significantly declining agricultural population is predicted to fall below one million before long if current trends continue. By enhancing productivity and achieving cost management through DX, we support work styles and career advancement that can attract the younger generation. While providing strong backup for turning out agricultural managers who can contribute to a sustainable society, we will tackle reforms that bring smiles to all.

Initiatives by Group Companies in Japan

Hitachi Solutions West Japan, Ltd.

Sharing nursing care information on the cloud: Service for sharing regional comprehensive care information
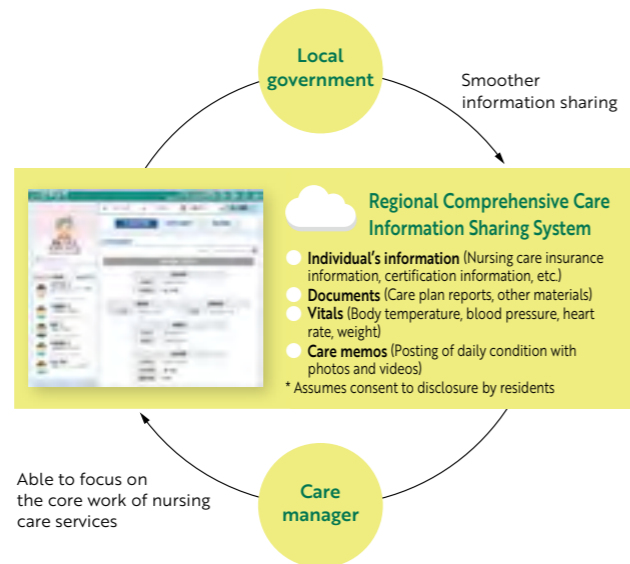
VIEW MORE
See more information here

To realize a society in which senior citizens can live with peace of mind in familiar locations for the remainder of their lives, Hitachi Solutions West Japan offers a service for sharing regional comprehensive care information. This service lets nursing care recipients, their families, care managers, and medical care and nursing care business operators share data held by local governments and nursing care information over the cloud.

Adoption of the service by the city of Beppu in Oita Prefecture has enabled care managers to speedily check information held by local government, such as the progress and results of nursing care certification, online at any time and from any place.

The service lets care managers smoothly engage in care plan formulation and other work, while the local government can reduce employee work such as handling information disclosure requests at counters. By strengthening such information sharing systems in regional comprehensive care, we will contribute to the realization of a sustainable society.
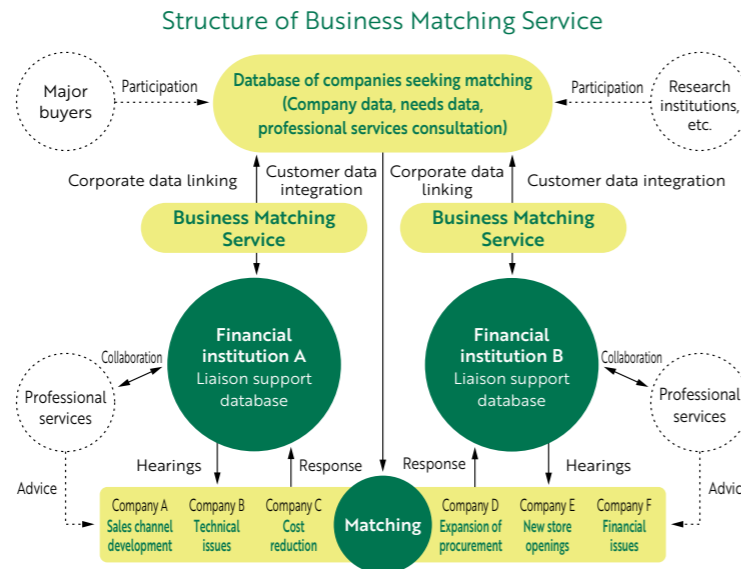
Local government

Smoother information sharing

Regional Comprehensive Care Information Sharing System
- **Individual's information** (Nursing care insurance information, certification information, etc.)
- **Documents** (Care plan reports, other materials)
- **Vitals** (Body temperature, blood pressure, heart rate, weight)
- **Care memos** (Posting of daily condition with photos and videos)
* Assumes consent to disclosure by residents

Able to focus on the core work of nursing care services

Care manager

Contributing to the community through a service that supports business matching for financial institutions

VIEW MORE
See more information here

Expanding the sales channels and the business of business partners is a key tasks for liaison staff at financial institutions. Business matching, traditionally conducted through business negotiations or other face-to-face contact, can be performed easily on tablet devices through a service that supports business matching. We built the system on the basis of the valuable work know-how accumulated over many years by community-based financial institution Kasaoka Shinkumi Bank. Providing the service on the cloud makes information accessible at any time and from any place, and enables business partner searches under a variety of criteria. The sharing of business partner information held by financial institutions enables sales activities that span regions.
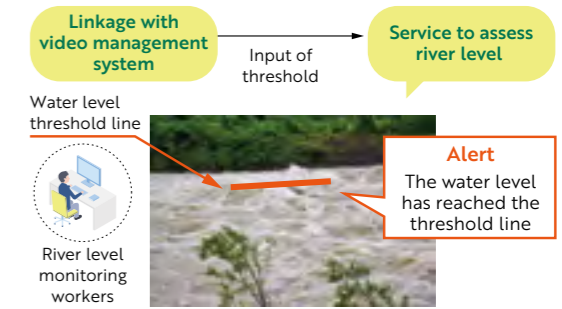
Structure of Business Matching Service

Major buyers — Participation → **Database of companies seeking matching** (Company data, needs data, professional services consultation) ← Participation — Research institutions, etc.

Corporate data linking / Customer data integration / Corporate data linking / Customer data integration

Business Matching Service / **Business Matching Service**

Financial institution A Liaison support database / **Financial institution B** Liaison support database

Collaboration — Professional services / Professional services — Collaboration

Hearings / Response / Response / Hearings
Advice / Advice

Company A Sales channel development / Company B Technical issues / Company C Cost reduction / **Matching** / Company D Expansion of procurement / Company E New store openings / Company F Financial issues

Hitachi Solutions Create, Ltd.

Using AI to help ensure the safety of monitoring workers and guide surrounding residents in early evacuation: Service to assess river level

VIEW MORE
See more information here

Recent years have seen many localized heavy rains caused by climate change. Japan has experienced a series of disasters in which the collapse of river embankments has resulted in major damage to surrounding areas. The river level monitoring work of local governments is generally performed visually, meaning that the work can involve danger during heavy rains. By developing AI that assesses whether a dangerous water level has been reached, Hitachi Solutions Create offers a service that assesses the water level of rivers. In addition to significantly reducing the burden of water level monitoring work, the service contributes to raising awareness among nearby residents and facilitating early evacuation.

Linkage with video management system — Input of threshold → **Service to assess river level**

Water level threshold line

River level monitoring workers

Alert The water level has reached the threshold line

* The River Level Assessment Service has been put into practical use through co-creation between comprehensive equipment engineering company Chudenko Corporation and HYTEC INTER Co., Ltd.

An enterprise-oriented taxi payment service that supports compliance measures and offers convenience

VIEW MORE
See more information here

We work with S.RIDE Inc. to offer an enterprise-oriented taxi payment service that enhances convenience through mobile device-based contactless payment and app-based taxi hailing. The use of digital data also curbs unauthorized use through visualization of usage status and reduces time and administrative burdens on user corporations and taxi companies.

We also contribute to sustainable management through support for compliance measures, business efficiency enhancement, and work style reform.

- Visualization of usage status and prevention of fraud
- Easier aggregation and reports
- No need for checking against paper documents
- Greater efficiency in cumbersome payment processing
- Enabling of non-contact payment
- Peace of mind through security measures
- No need for advance sending of tickets
- Urgent pick-up/drop-off are also "smart"

SOLUTION TOPICS

Powerful support for enhancement of security incident response capabilities, for both individuals and organizations

In our Cybersecurity Training that develops security human resources and strengthens organizational systems in companies, we are enhancing our training menu for corporate incident response capabilities to meet varied needs. Practical training is conducted by white-hat hackers, using incident scenarios drawn from recent trends. We offer full support for the enhancement of security knowledge needed for business continuity, including preparation for cyber attacks and rapid recovery from damage.

Initiatives by Group Companies in Japan

Hitachi Solutions Technology, Ltd.

Image recognition services for edge devices x Toda Corporation: Assurance of on-site safety through the Person Detection System

The prevention of accidents caused by contact between construction machinery and workers is the highest-priority issue at construction sites. Toda Corporation had used a variety of sensors for detection of people, but the company experienced problems including low detection accuracy in dimly lit areas and dusty environments. Toda Corporation's recent adoption of our image recognition edge solutions provided an opportunity to achieve co-creation. What we developed together was a Person Detection System that achieves real-time worker detection even at night, in places such as unlit tunnel shafts, and at sites where the communication environment is undeveloped. Far-infrared cameras installed in construction machinery instantly measure distances from people and construction equipment, provide warnings of approaching contact to prevent collisions. In this way, we ensure safety at construction sites.
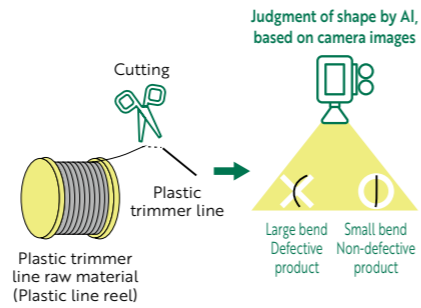
Attention area
Caution area
Danger area
5.0m 10.0m 15.0m

Image recognition service for edge devices x Sanyo Tegus: Development of the AI-Based Automated Shape Quality Inspection System

Sanyo Tegus manufactures plastic line for lawn trimmers, for which it holds the top market share globally. Through co-creation with the company, we have developed the AI-Based Automated Shape Quality Inspection System, which uses image data from inspected objects and AI to judge quality based on shape. Driving the system is the AI know-how and high-precision image processing technology of our image recognition services for edge devices, built up through use in wide-ranging fields. We reduced the time to judge quality based on shape by 10% and doubled production output, achieving improvements in work efficiency and quality while reducing material loss. Customer-developed algorithms and open source code can also be optimized and implemented for edge devices, enhancing real-time capabilities and security of the system.
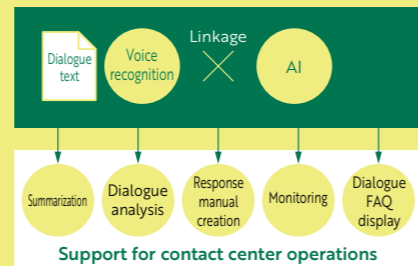
Cutting
Judgment of shape by AI, based on camera images
Plastic trimmer line
Plastic trimmer line raw material (Plastic line reel)
Large bend Defective product
Small bend Non-defective product

SOLUTION TOPICS

Voice-to-text software that converts spoken audio to text in real time

Our voice-to-text software is attracting attention as a system that eliminates shortages of operators at contact centers and enhance customer satisfaction. It achieves real-time conversion of spoken audio to text through highly accurate voice recognition. AI-based incremental learning functions also allow advanced processing, such as learning technical vocabulary and automatically inferring the context to be applied. In-house operation of the system is suited to voice data demanding high confidentiality, reducing the risk of information leaks.

Dialogue text
Voice recognition
Linkage ×
AI
Summarization | Dialogue analysis | Response manual creation | Monitoring | Dialogue FAQ display
Support for contact center operations

Initiatives to enhance EX in Group companies

To maximize the performance of employees in co-creation with customers and in business development with regional roots, we also engage in initiatives to enhance EX at Group companies, in line with their diverse values.

Hitachi Solutions East Japan, Ltd.

Receipt of Award for Excellence in the Miyagi Prefecture 2023 "Commendations for Companies Supporting Active Men and Women and Happy Childrearing" in recognition of our employees' childrearing community activities

To support companies in advancing the creation of workplaces that are conducive to work and childrearing by both women and men, Miyagi Prefecture commends companies that engage in particularly outstanding initiatives. Eligible companies are those certified under the prefecture's Certification System for Companies Leveraging the Power of Women. Hitachi Solutions East Japan received the Award for Excellence in recognition of its community activities for female managers and employees raising children, and for its interviews with expectant parents and with employees after return from childcare leave. The award also recognized the company's "Time- & Location-Free Work System" and its establishment of a fund that subsidizes fees for childcare and child pick-up services to help balance childcare with work. We will continue to enhance such programs that are closely aligned with employees.

Hitachi Solutions West Japan, Ltd.

"Health Support Seminar to Support Women's Careers" initiative

We held the online "Health Support Seminar to Support Women's Careers," an initiative aimed at creating a workplace environment that facilitates active careers for women by recognizing their particular health issues and measures to address these. Over 100 people, including female employees and managers, listened to lecturers from Sompo Health Support Inc. The seminar explained ways of addressing female premenstrual syndrome (PMS) and menopause (which can affect men as well) in easily understood terms and using simple quizzes. Hitachi Solutions West Japan will continue to promote DEI and health and productivity management.

Hitachi Solutions Create, Ltd.

Cooperation in the development of the "Singularity Battle Quest" competition, and ongoing contribution to the discovery and development of AI and security human resources who will lead the next generation

In the National High School AI Athlete Championship "Singularity Battle Quest" event, high school students enjoy learning about ICT technologies. The event aims to uncover and develop "AI athletes" who have comprehensively acquired the knowledge, skills, and teamwork capabilities that are essential in a super-advanced information society in which the Society 5.0 concept has been implemented. Hitachi Solutions Create has taken part in the event since the first tournament in 2019. Since 2023, the company has also supported the event as a title sponsor. By serving as a sponsor aiding the construction of a foundation for future society and by conducting sponsorship activities as a source of its own growth, the company seeks to accelerate its achievement of more robust sustainable management.

Hitachi Solutions Technology, Ltd.

Original lecture aimed at reforming awareness, under the theme of "Creating a workplace with high psychological safety where diversity turns into power"

To build understanding of the importance of psychological safety in maximizing team performance and of the specific conduct required to do so, and to further connect that to practice, we held a lecture featuring Gradation representative Kayo Fujiwara. Ms. Fujiwara is a consultant who energetically develops participatory workshops and other activities under the theme of DEI. Her lecture explained the "yes and" communication technique and other key points in communication that respects diversity and that enhances the psychological safety that is important in making use of diversity. The level of interest in the theme was high, with many attendees at the Section Chief level or higher.

Initiatives by Group Companies Overseas

Europe

# Americas

Sustainability through business activities

❶ Introduction of Microsoft Dynamics 365 to The Royal Mint and systematization of the process of precious metal recovery from electronic waste

With the aim of opening a factory to recover precious metals from electronic waste, The Royal Mint in the U.K. has introduced the Microsoft Dynamics 365 Finance and Supply Chain Management solution as a new ERP system to support the overall manufacturing process, from the generation of electronic waste to the delivery of products to consumers. Migration to the cloud has also strengthened data management and security.

Hitachi Solutions Europe Ltd.

Hitachi Solutions Germany GmbH
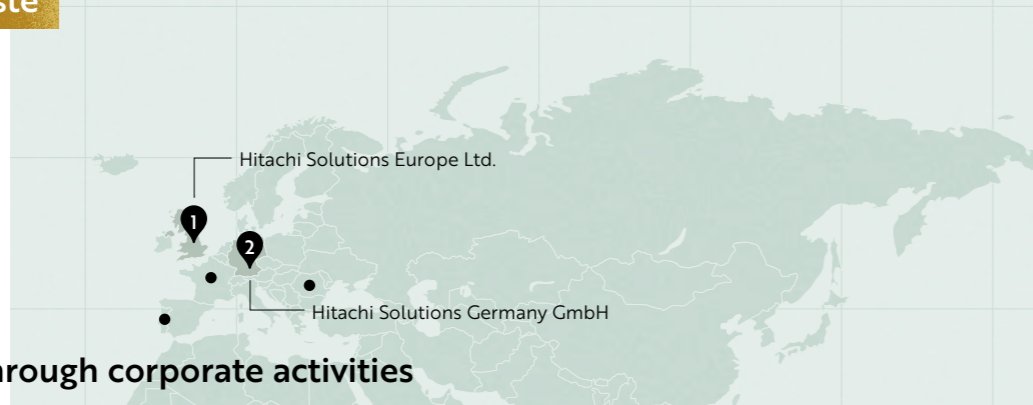
Sustainability through corporate activities

Great Place To Work.

❶ ❷ Great Place To Work® certification

In a survey of companies in about 150 countries by the organization Great Place To Work, our Group companies in the United Kingdom, France, Germany, Bulgaria, and Portugal received one-year "Great Place To Work®" certification as companies exceeding standards for recognition as motivating workplaces.

Great Place To Work. Certified OCT 2023-OCT 2024

❶ ❷ Establishment of CSR Focus Group as an internal community for DEI promotion

In 2021, we established a CSR Focus Group under which we actively promote DEI through actions such as educating all employees on an inclusive mindset.

Sustainability through corporate activities

❸ Selection of Hitachi Solutions America, Ltd. as a Microsoft Business Applications Inner Circle partner and receipt of FY2023 Microsoft Partner of the Year awards

We have earned membership in this group for 20 consecutive years, placing us among the top 1% of partners worldwide who have achieved particularly outstanding results. We will maintain our cooperation with Microsoft to contribute to problem-solving and business growth for customers. From among applications by over 4,200 partner companies, we were selected for global awards in the following three categories:

- ● **Microsoft Dynamics 365 Supply Chain Management** (second consecutive year of receiving award)
- ● **Microsoft Dynamics 365 Services**
- ● **Industry – Government** (Finalist)

Hitachi Solutions Canada, Ltd.

Hitachi Solutions America, Ltd.

❸ ❹ Establishment of in-house Konsei Community to promote DEI

Taking its name from the Japanese word "konsei" (mixed voices), this in-house community promotes DEI, including active roles for women and LGBTQIA+ individuals.

❸ ❹ Activities on International Women's Day 2023

Led by our Konsei Women in-house community and valuing open-minded attitudes, we will promote the activation of communication and lead employees to demonstrate their capabilities under the theme of "Inspire Inclusion."

Initiatives by Group Companies Overseas

APAC ASIA-PACIFIC

VIEW MORE
See more information here

Sustainability through corporate activities

1

Hitachi Solutions India Pvt. Ltd. unveils CSR Policy

Hitachi Solutions India Pvt. Ltd. has engaged in activities aimed at positive impacts on society overall. These include the donation of solar water heaters to nursing homes, donation of vision testing equipment to optical clinics for economically disadvantaged individuals, and subsidization of educational support activities. The company recently released its CSR Policy, with content covering contributions to philanthropy and the economic development of all stakeholders under core keywords including hunger, poverty, the environment, and communities. As priority goals, the policy names the improvement of nutrition, health, and hygiene, including the eradication of malnutrition, promotion of preventive medicine, and the use of safe drinking water, as well as education, gender equality, protection of national heritage and other arts and culture, promotion of sports, and agricultural area development. By setting this CSR Policy as its standard for all activities not limited to business domains, the company aims to achieve a society without disparities.

VIEW MORE
See more information here

4

Hitachi Solutions Philippines Corporation ranks 4th in technology category on student job-hunting support site

2023
THE PHILIPPINES'
TOP100
EMPLOYERS FOR FRESH GRADUATES
prosple

As the Philippines undergoes remarkable economic growth, its rapid progress in the IT field is attracting global attention. The battle to secure IT human resources in the country is only heating up. Against this backdrop, Hitachi Solutions Philippines Corporation won 4th place in the technology category in the Top 100 Graduate Employers 2023 ranking released by Prosple, a job-hunting site expanding its network worldwide.

Hitachi Solutions India Pvt. Ltd.

Hitachi Solutions (Thailand), Ltd.

Hitachi Solutions Asia Pacific Pte. Ltd.

Hitachi Solutions Philippines Corporation

2 4

Receipt of HR Asia Best Companies to Work for in Asia™ awards

● Singapore (2023)
● Philippines (two consecutive years in 2022, 2023)

HR Asia
BEST COMPANIES
TO WORK FOR
IN ASIA 2023

Hitachi Solutions Asia Pacific Pte. Ltd. received an award in HR Asia Best Companies to Work for in Asia™ 2023, said to be the most authoritative award in the Human Resources (HR) field. In addition, Hitachi Solutions Philippines Corporation achieved the remarkable feat of recognition in the awards for the second consecutive year, through its selection as one of the companies most conducive to work. The HR Asia Awards target companies throughout Asia, recognizing those that demonstrate high-level personnel systems, employee engagement, work environments, and other qualities. Entries include Fortune 500 companies, multinational companies, and government-affiliated companies. Award-winning companies are able to use benchmarks, and can use the awards advantageously in the development of branding and as material to attract talented human resources.

3

Participation in the Hitachi Asia Ltd.-led DEI public relations activity "Together, we are stronger"

As an initiative to accelerate the promotion of DEI, we held DEI Month in November 2023 for all employees of the Hitachi Group. Kicking off the month on November 2 was the webinar "Together, we are stronger," streamed live worldwide. Four panelists including Lorena Dellagiovanna (Senior Vice President and Executive Officer; Chief Sustainability Officer, Hitachi, Ltd.) took the stage under the theme of "The importance of DEI in Hitachi's business." The roughly 1,500 participating employees were able to deepen their understanding of DEI. Through such activities, the Hitachi Group will contribute to the realization of a sustainable society in which people can live happily, aiming for comfortable working environments that lead to the creation of innovation.

Initiatives by Group Companies

Philanthropic Activities

Our Group also actively promotes philanthropic activities that lead to the creation of social and environmental value and that contribute to a sustainable society and the sustainable advancement of business.

VIEW MORE
See more information here

Hitachi Digital Systems & Services Sector

Rural woodland conservation activities in Yokozawairi, Akiruno, Tokyo

We engage in wetland conservation as an activity to maintain waterside areas that play vital roles in diverse environments.

Forest development activities at Mt. Zukko in Hadano, Kanagawa Prefecture

As hands-on activities involving forest conservation, we engage in tree planting and thinning, logging, coppicing, and underbrush removal.

Hitachi Solutions

Promoting new CSR activities under the theme of nursing care

We held a Company-wide Idea-thon in FY2022 to consider new CSR activities, awarding the top prize to a team that took "Balancing work and nursing care" as its theme. As a first step toward making the idea a reality, we held a Company-wide event in November 2023 to consider the concepts "Becoming a business caregiver" and "Working together with business caregivers." Looking ahead, we will engage in the design of employee participation-oriented activities and deepen understanding of nursing care within the Company. We will also work to create mutual support mechanisms and measures aimed at reducing the risk of job separation and combating reduced productivity associated with nursing care.

Europe

Beach clean-up in Portugal

We cooperated with the Lixo Não project by YouthDream Association to clean up Matosinhos Beach.

Adoption of donation matching programs and community fund programs

We support employees' charitable giving through a corporate charity program by which employers match up to £250 (or the equivalent in other regions) of charitable donations by an employee. Through this, we have supported campaigns including Young Lives vs Cancer, Macmillan Cancer Support, and Mind. We have also adopted a community fund program that supports local community and other non-profit charities, with employees charging up to £100 a year.

Americas (United States, Canada)

Community management and awards to encourage employees' volunteer activities

We established an in-house community that encourages volunteer activities. We created an application to track time spent on volunteer work, and commend employees who have spent the most time on volunteer work over the year. Through community volunteer activities to aid people with economic and other needs, we take part in activities to deepen our understanding of surrounding communities and of diverse races and cultures.

APAC

Donation of solar water heaters to nursing homes

Hitachi Solutions India Pvt. Ltd. makes donations to facilities supporting the economically disadvantaged every year as a component of its CSR activities. Through these activities and through support for education, support for medical care, and the use of renewable energy, the company contributes to the realization of a sustainable society.
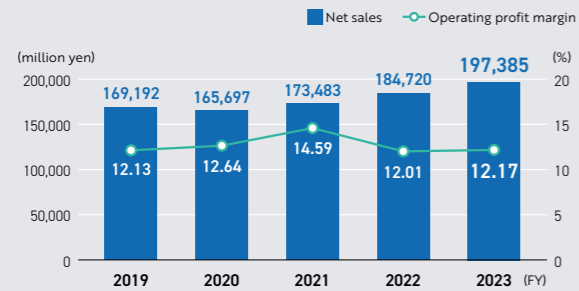
Subsidizing educational support activities for groups supporting the economically vulnerable
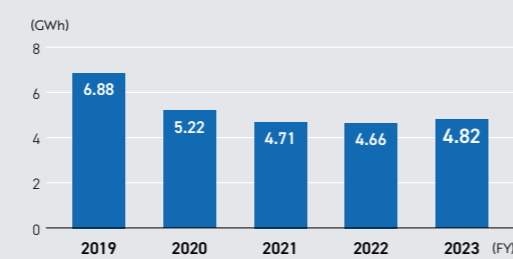
CORPORATE DATA

Financial and Non-Financial Highlights (Non-consolidated)

Net sales/Operating profit margin

Legend: Net sales / Operating profit margin

(million yen) / (%)

	2019	2020	2021	2022	2023 (FY)
Net sales	169,192	165,697	173,483	184,720	197,385
Operating profit margin	12.13	12.64	14.59	12.01	12.17

Work-from-home rate

(%)

2021 May	2022 December	2022 June	2023 December	2023 June	2024 December	2024 June
83.6	80.4	82.8	80.0	78.6	75.5	69.7

Percentage of women in managerial positions

(%)

2019	2020	2021	2022	2023 (FY)
5.2	6.0	6.5	6.9	7.4
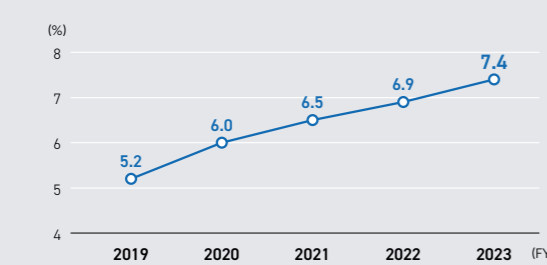
* Based on personnel at the end of each fiscal year
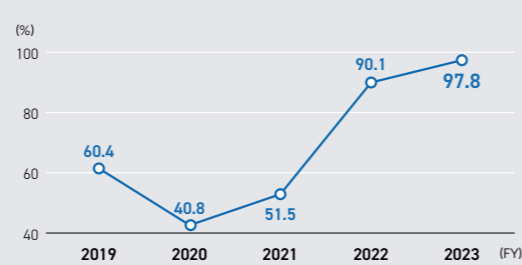
"Hitachi Insights*[1]" Engagement*[2]
Positive response rate

(%)

2019	2020	2021	2022	2023 (FY)
61.3	69.1	66.2	70.4	71.0

*[1] A survey conducted every year with the same content across the Hitachi Group to assess the strengths and weaknesses of the Group overall and of individual departments. Based on the analysis results, management staff and the Human Resources Department collaborate on drafting and implementing action plans and connect these to the enhancement of organizational performance and engagement.
*[2] Engagement is an indicator of employees' overall degree of satisfaction, representing a state in which employees find their jobs to be rewarding and autonomously engage in their jobs to generate results.

Electricity usage

(GWh)

2019	2020	2021	2022	2023 (FY)
6.88	5.22	4.71	4.66	4.82

Average monthly overtime hours/
Number of days of annual paid leave used

Legend: Average monthly overtime hours (hours/month) / Number of days of annual paid leave used (days/year)

(hours) / (days)

	2019	2020	2021	2022	2023 (FY)
Average monthly overtime hours	18.9	21.6	23.3	23.0	22.8
Number of days of annual paid leave used	18.6	16.3	16.1	18.0	17.3

* 24 days of annual paid leave are granted

Percentage of men taking childcare leave

(%)

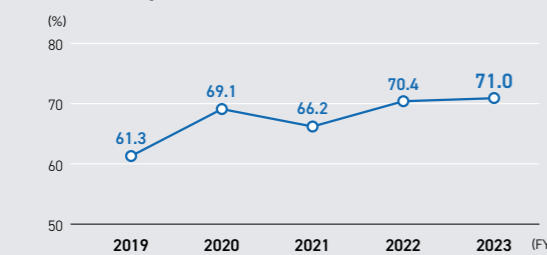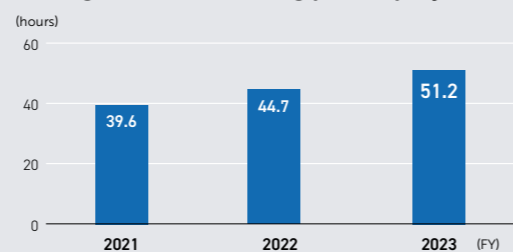| 2019	2020	2021	2022	2023 (FY)
60.4	40.8	51.5	90.1	97.8

* Numerator: Of employees whose spouses have given birth in the fiscal year, the number who have taken childcare leave in the fiscal year (including leave taken in single-day units)
* Denominator: The number of employees whose spouses have given birth in the fiscal year
* Published values based on the Childcare and Nursing Care Leave Act and the Act on the Promotion of Female Participation and Career Advancement in the Workplace are 105% for FY2022 and 102% for FY2023. (Numerator includes men whose spouses gave birth in the previous or earlier fiscal years.)

Average hours of training per employee

(hours)

2021	2022	2023 (FY)
39.6	44.7	51.2

Corporate Information

Company Profile

Location	Head Office: 4-12-7 Higashishinagawa, Shinagawa-ku, Tokyo Japan
Founded	September 21, 1970
Capital stock	20 billion Yen
Revenue	197.3 billion Yen (term ending March 2024, non-consolidated)
Number of employees	4,955 (non-consolidated) / 14,470 (consolidated) (as of March 31, 2024)

VIEW MORE
See more information on our company profile here

Profit and Loss (non-consolidated)

(million yen)

	FY2019	FY2020	FY2021	FY2022	FY2023
Net sales	169,192	165,697	173,483	184,720	197,385
Gross profit	46,474	47,611	52,028	54,276	56,241
Selling, general and administrative expenses	25,936	26,652	26,706	32,098	32,227
Operating profit	20,538	20,958	25,322	22,177	24,013
Ordinary profit	26,149	26,675	30,258	25,993	30,568
Net profit for the period	19,740	20,203	18,811	20,243	24,796

VIEW MORE
See more information on our financial results report here

Awards and certifications

Ministry of Economy, Trade and Industry certification: Health and Productivity Enterprise 2024 "White 500" organization (Large Enterprise Category)

2024 健康経営優良法人 Health and productivity ホワイト500

Minister of Health, Labour and Welfare certification: Highest level of "Eruboshi"

PRIDE INDEX 2023 "Gold"

work with Pride Gold 2023

Ministry of Economy, Trade and Industry certification: "Digital Transformation Certification"

DX認定

Ministry of Education, Culture, Sports, Science and Technology commendation: "Sports Achievement Group Commendation"

45th Japan BtoB Advertising Awards: "Sustainability Award" and "PR Publication category, Bronze Award"

Network in Japan

Sites in Japan
- Head Office (Tokyo)
- Yokohama Office
- Chubu Office
- Kansai Office

Group companies in Japan
- Hitachi Solutions East Japan, Ltd.
- Hitachi Solutions West Japan, Ltd.
- Hitachi Solutions Create, Ltd.
- Hitachi Solutions Technology, Ltd.

Network overseas

Group companies overseas
- Hitachi Solutions America, Ltd.
- Hitachi Solutions Canada, Ltd.
- Hitachi Solutions Europe Ltd.
- Hitachi Solutions Germany GmbH
- Hitachi Solutions India Pvt. Ltd.
- Hitachi Solutions Asia Pacific Pte. Ltd.
- Hitachi Solutions (Thailand), Ltd.
- Hitachi Solutions Philippines Corporation