

News Release

FOR IMMEDIATE RELEASE

**“Paperless & Office” Innovations
to Achieve New Workstyles in the New Normal**
Reducing paper usage by about 500 million pages/year

Tokyo, October 26, 2020 --- Hitachi, Ltd. (TSE:6501, “Hitachi”) announced today that it is undertaking efforts with a view toward adopting new workstyles under the “New Normal,” in which a use of “Working from Home” will be the standard, starting from April 2021. Initiatives will include process innovations and office innovations, such as eliminating personal seals (commonly used in Japan in place of signatures), and reducing paper usage by about 500 million pages per year. At the same time, Hitachi will further promote a “Time- & Location-Free” workstyle, in which employees are not required to work at a specified office location.

Hitachi will further encourage a diversification of workstyles, in which “Working from Home” serves as a driver for innovations. Furthermore, to draw out the full potential of each employee and increase productivity, it will apply frameworks based on job descriptions and performance management to further accelerate the transition to job-based human resources (HR) management, in which each employee’s work, role, and expected output are clearly defined.

Main initiatives targeting new workstyles under the “New Normal”

1. Process innovations eliminating the use of paper and personal seals

Up to now, one of the main factors necessitating an employee’s presence in Japanese offices was the need to put their personal seal on documents. By the end of FY2021, the use of personal seals for the internal operations will be completely eliminated, and work processes will be reviewed, as the company undergoes a migration to an Internet-based workflow system. The use of personal seals in interactions with outside parties will be coordinated with the persons involved, as part of efforts to adopt electronic documents and processes. Specifically, in October 2020, Hitachi began using an electronic signature service provided by the Hitachi Group in sales and procurement operations. In addition to cutting back on the use of personal seals, an in-house paperless promoting project was initiated, targeting a reduction in the Hitachi Group’s annual use of paper in Japan (excluding listed group companies) from 700 million pages in FY2019 (converted to A4 size) to about 200 million pages in FY2020 (approx. 70% reduction). Through these initiatives and co-creation activities, Hitachi will increase social value and environmental value of not only Hitachi but also various stakeholders including the customers.

2. Office innovations

By clearly defining the types of work done in each of three workplace categories – Base Offices, Satellite Offices, and Working from Home – Hitachi will enable employees to flexibly choose where they will work, depending on the nature of the task at hand. Base offices will incorporate a “free address” format, in which desks are not assigned to increase office efficiency, and the office space itself will change in keeping with the way in which the space is used; for example, with enhanced real communication space, or the installation of private soundproof booths for online communications. In addition, to support remote environments, in January 2021, Hitachi will begin introducing new client PCs that are not susceptible to communication delays even when connected from external network.

3. Support for “Working from Home” management

To promote smooth communication and management in working from home, Hitachi started management training in October, targeting Hitachi Group managers including 8,000 managers of Hitachi, Ltd. The managers can learn skills and knowledge necessary for daily management in working from home. We support activation of mutual communication between managers and subordinates and the effective operation of online meetings.

Roadmap for New Workstyles in “New Normal”

May ~ July 2020	- Review issues arising in “Working from Home” (Examine the benefits and challenges of “Working from Home” and countermeasures based on the results of employee survey)
Aug. ~ Sept. 2020	- Study work formats for the medium and long term, in keeping with individual jobs - Put in place environments and examine the handling of allowances and other matters for the active adoption of “Working from Home”
Oct. 2020 ~ Mar. 2021	- Begin testing workstyles in which a use of Working from Home is the standard - Review approaches to improving productivity (e.g., work execution methods and work environments), as well as allowances, social welfare, and other matters - Review and study regulations and agreements involving labor/management relations [October ~ December] Begin implementing new work formats at each workplace (review work execution methods and work environments to increase productivity) [January ~ March] Identify issues in operations, and implement improvement measures
Apr. 2021 ~ (tentative)	- Formally adopt new workstyles utilizing Working from Home (Apply new regulations and agreements)

Promotion of Job-based HR management

In order to expand Social Innovation Business on a global scale, Hitachi has been shifting to Job-based HR management starting from development of global HR management platform in FY2011*. The Job-based HR management, which Hitachi is aiming for, is maximizing the performance of both organizations and individuals by visualizing both "responsibilities" and "human resources" and assigning the right people for the right positions.

For managers and subordinates to achieve individual performance goals and growth through further activated communications, Hitachi plans to introduce frameworks for "visualization" such as Job Descriptions and Talent Reviews until FY2020, linking them with existing Performance Management.

Since it is important for each employee to deeply understand Job-based workstyles and work autonomously, the Company will communicate the overview of Hitachi's "Job-based HR management" to all employees by organization role and layer.

In specific, Hitachi will promote understanding of Job-based workstyles through various opportunities and methods such as providing information via a new intranet site (from October) and e-learning programs (from November), interactive dialogue in small number, and discussion and exchanges of opinions at town hall meetings and training programs.

* Please refer to the following news release of the details of Hitachi's global HR management initiatives in the past.
<http://www.hitachi.com/New/cnews/month/2017/11/171128.html>

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is focused on its Social Innovation Business that combines information technology (IT), operational technology (OT) and products. The company's consolidated revenues for fiscal year 2019 (ended March 31, 2020) totaled 8,767.2 billion yen (\$80.4 billion), and it employed approximately 301,000 people worldwide. Hitachi drives digital innovation across five sectors – Mobility, Smart Life, Industry, Energy and IT – through Lumada, Hitachi's advanced digital solutions, services, and technologies for turning data into insights to drive digital innovation. Its purpose is to deliver solutions that increase social, environmental and economic value for its customers. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
