



HITACHI
Inspire the Next

Company Report

April 2018

Reporting our Gender Pay Gap

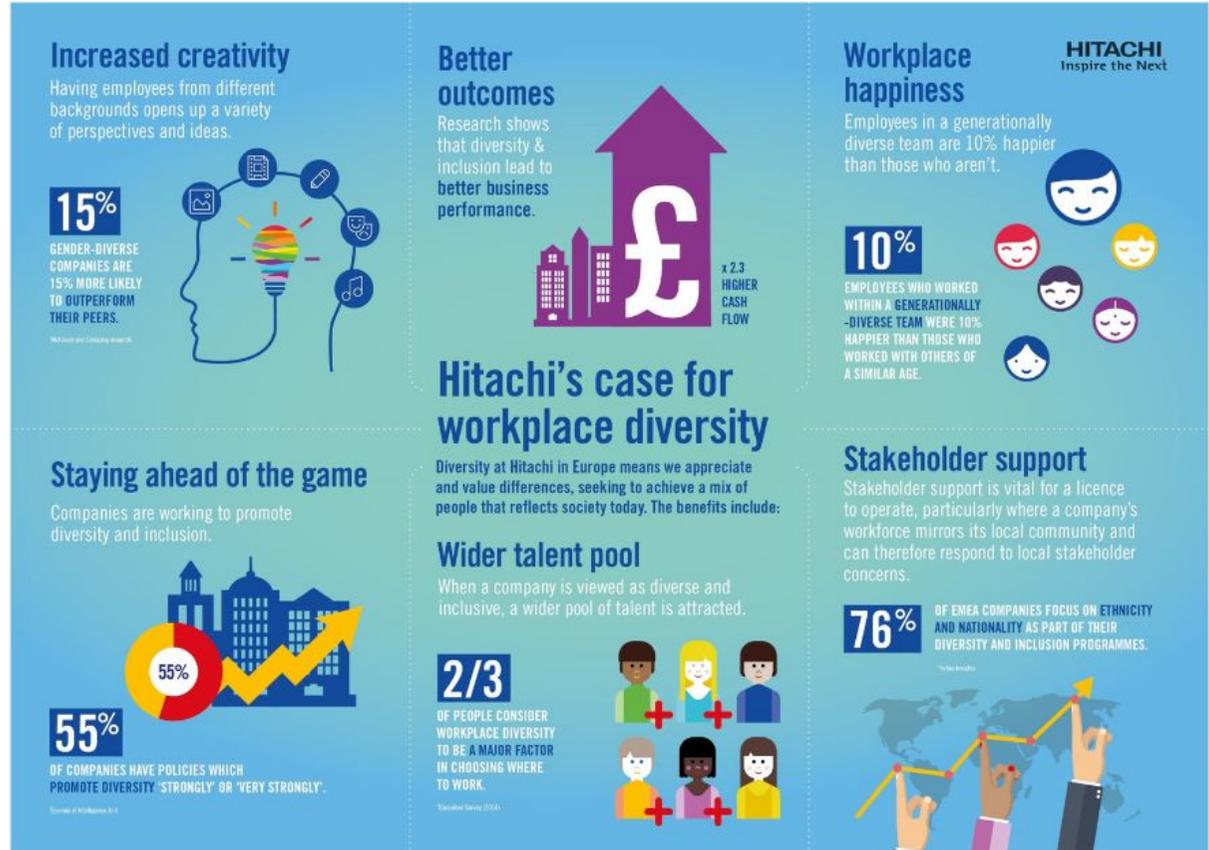
1. The importance of diversity within Hitachi Consulting

Diversity underpins Hitachi's innovation and drives our growth. Hitachi regards personal differences — gender, nationality, work history, age, sexual orientation, and philosophy — as facets of people's individuality. By respecting this and positioning it as an advantage, Hitachi frames its diversity and inclusion as central to both the individual's and the company's sustainable growth.

Diversity at Hitachi Consulting, as part of Hitachi in Europe, means that we appreciate and value differences. It also means seeking to achieve a mix of people that reflects society today. We seek to promote diversity at all levels of the company and will focus on gender diversity as our key goal in the area.

Hitachi's business case for workplace diversity demonstrates why diversity is fundamental to maintaining a successful business. It outlines the key benefits of having a diverse and inclusive workforce: increased creativity, better outcomes, workplace happiness, staying ahead of the game, wider talent pools, and support from stakeholders.

Hitachi views the Government's requirement for organisations to publish gender pay gap data on an annual basis as a positive step, which will actively encourage employers to recognise where a gender pay gap exists and formulate an action plan which works towards closing the gap.



2. Gender Pay Gap

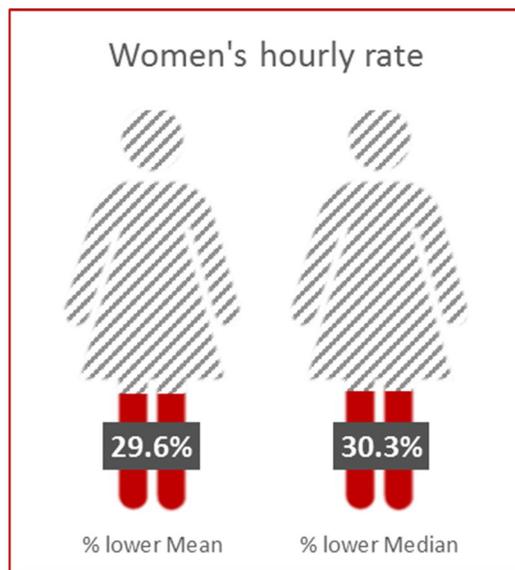
Following the 2015 general election, the Government announced its intention to fulfil a manifesto commitment by bringing into force a provision of the Equality Act 2010 on gender pay gap reporting. Subsequently The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 came into force on 6 April 2017.

The legislation requires UK companies employing 250 or more employees to publish statutory calculations every year which identify the pay gap between their male and female employees.

In line with legislative requirements, there are six calculations which must be reported; three based on pay and three based on bonus calculated using the snapshot date of 5 April.

It is important to emphasise that gender pay reporting differs from equal pay reporting. Equal pay relates to paying males and females fairly for work that is similar or of equal value. Gender pay reflects the underlying workforce demographics within an organisation.

3. Hitachi Consulting's gender pay gap data



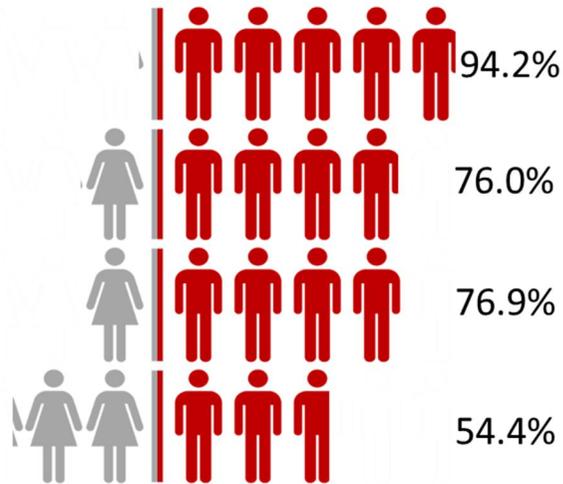
The data for our report was collected as at 5 April 2017. At this date our workforce consisted of 102 women and 312 men.

We are required to report the difference in mean and median pay between male and female employees. The mean is calculated by adding up the total amount of pay and dividing it by the number of individuals in the data set. The median represents the middle amount in the data set.

Our calculations show that Hitachi Consulting has a mean gender pay gap of 29.6% and a median gender pay gap of 30.3%.

Further analysis was completed which compared the number of men and women at each level of Hitachi Consulting's job grading structure. This confirmed that there is a significant predominance of males in senior job grades, which directly impacts the gender pay results.

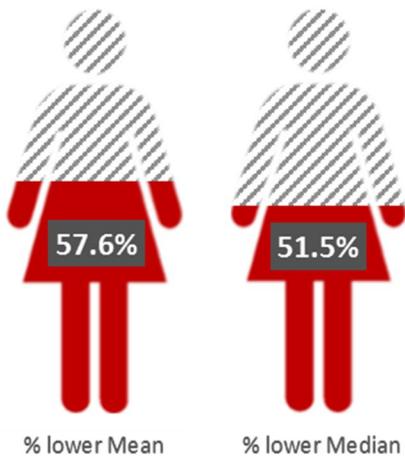
Top Quartile	5.8%
Upper Middle Quartile	24.0%
Lower Middle Quartile	23.1%
Lower Quartile	45.6%



Hitachi Consulting's workforce overall is one quarter female to three quarters male. Reflecting similar trends in organisations within the high-tech sector, males significantly dominate the top, upper middle and lower middle pay quartiles. This is due to a higher ratio of males in management and senior management positions and roles in the fields of science, technology, engineering & mathematics (STEM). This has a significant impact on our gender pay gap in general; this issue can be most clearly seen in our quartile percentages.

The predominance of men in senior positions also impacts our comparison figures for bonus payments. The calculations indicate a difference in mean bonus payments of 57.6% and a difference in median bonus payments of 51.5%.

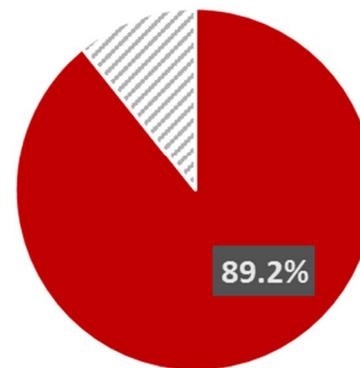
Women's bonus pay



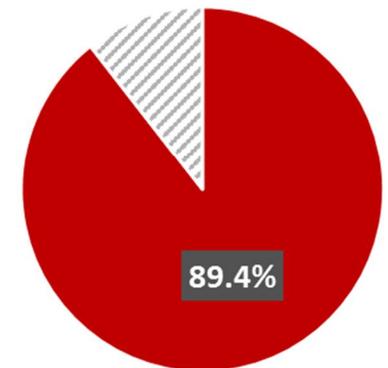
The proportion of females that received a bonus is 89.2%, and the proportion of males that received a bonus is 89.4%.

The relatively low numbers of employees that did not receive a bonus payment either did not achieve the required performance rating, were new to the company or had resigned.

Females receiving a bonus



Males receiving a bonus



I 4. Responding to the challenge

Hitachi recognises that gender diversity is a crucial component in successful organisations. We acknowledge the value that women bring to the workforce and have implemented key initiatives to enhance gender diversity, seeking to boost female representation in executive positions to 10% by 2020 (H. Nakahata, Hitachi Ltd., 28 November 2017; <http://www.hitachi.com/New/cnews/month/2017/11/171128a.html>)



Hitachi Group in Europe, both women and men are encouraged to get involved.

I Mentoring Circles Programme

Aimed at mid-level female employees, the six-month programme consists of monthly mentoring sessions, in which groups of mentees are mentored by more experienced colleagues.

The aim is to create an open environment where mentees can freely discuss issues relating to their professional development and obtain advice and feedback from their mentors and fellow mentees. Each session focuses on a specific topic, such as leadership styles, effective networking, selling personal capabilities and maintaining work-life balance.

Mentors facilitate the sessions, sharing the benefit of their own experience and providing insight on dealing with challenges as well as realising goals. The programme has had a high success rate. Mentors report it to be a rewarding process and mentees have stated finding the sessions useful in increasing in their confidence and pursuing their goals.

In the past few years, Hitachi in Europe has also implemented two grass roots programs to help develop and grow the careers of women within the company.

I Women of Hitachi

This scheme seeks to help women of all functions and levels at Hitachi grow their skills, find opportunities to advance, increase impact at work, inform those inside and outside of Hitachi about the talent within and network with people who can help them achieve their professional goals.

The program hosts learning events, webinars and online discussions enabling employees to exchange experiences and ideas. The programme is open to all employees within the

5. Our ongoing commitment

Intent	Hitachi in Europe is recognised as a diverse and inclusive group of companies at all employee levels
Vision	The increasingly diverse and complex global environment in which Hitachi operates requires inclusive leadership. Our leaders respect peoples' differences, effectively using people's talents and skills, enable work-life balance and ensure equal opportunities for all
Aim	Using company relevant reporting, demonstrate an increase in workforce diversity, including an increase in the number of women holding senior positions in Group companies. Showcase the business impact delivered as a result. Show continuous improvement in all business areas in attracting the best talent and delivering career development opportunities to Hitachi employees in Europe

Hitachi Consulting, as part of Hitachi in Europe, has defined what we seek to achieve in the area of diversity and inclusion in the medium and long term. Our intent, vision and aim to shape and drive our activities are highlighted in the diagram above.

Hitachi in Europe's dedicated steering committee drives activities from a senior level, with a key focus on delivering our diversity and inclusion intent, vision and aims. The committee have agreed strategic interventions to fulfil our diversity and inclusion aims, which include;

Improving recruitment practices

Workshops will be held to ensure that best practice is shared across Hitachi group companies.

Addressing Unconscious Bias

Employees and managers will be encouraged to participate in e-learning courses focusing on building an inclusive workplace.

Ensuring policies are best practice

D&I related policies, including parental and caring leave, work-life balance and flexible working will be reviewed to ensure best practice.

Employee survey

The Hitachi employee survey was launched in 2010 with the aim of enabling employees to share their honest opinions on working for the company. Employees are encouraged to share their views on a wide range of categories including, empowerment, recognition and reward, opportunities for advancement and engagement. The responses steer the business to focus on areas for improvement.

For more information on Hitachi Consulting's commitment to diversity and inclusion please visit <https://www.hitachiconsulting.com/who-we-are/inclusion-and-diversity.html>



I confirm that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

A handwritten signature in blue ink, appearing to read 'John O'Brien'.

John O'Brien

Executive Vice President, Hitachi Consulting EMEA

Chief Strategy Officer, Hitachi Consulting