

Employee Satisfaction, Employment, and Occupational Safety and Health Promoting "Human Resource Development" in all the Group Companies

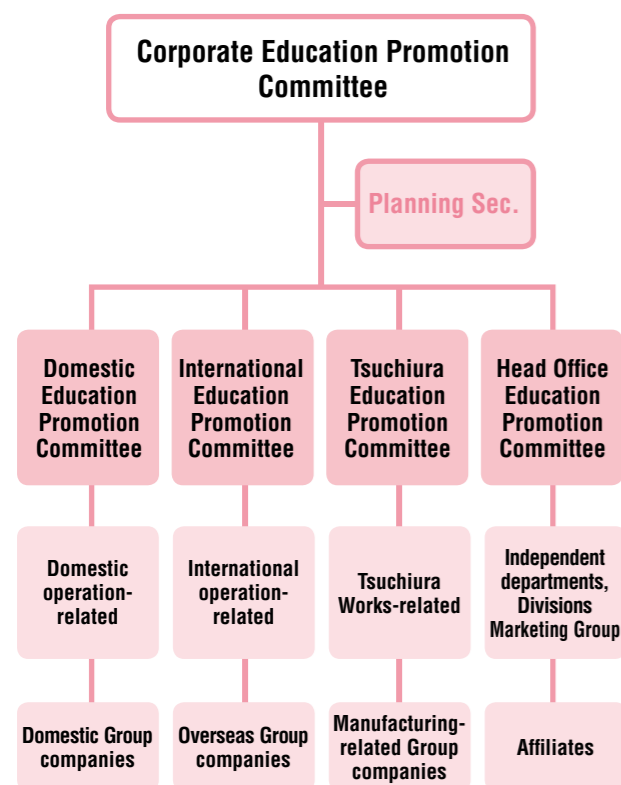
Hitachi Construction Machinery addresses CSR on the basis of "human resource development. Recognizing that employees are one of the most important stakeholders in its business operations, the company established an education structure to cover all the Group companies. Hierarchical, functional, selective, optional and other variations support career development of employees. Moreover, the company conducts a wide range of activities for human resource development and occupational safety and health measures to establish a comfortable working environment.

■ Educational Structure to cover all the Group Companies

Under the supervision of the Corporate Education Promotion Committee, each Education Promotion Committee individually established for Domestic Operations, International Operations, the Tsuchiura Works and Head Office takes education-related measures. Each Committee also conducts educational measures for Group companies relevant to its responsibility.

■ Comprehensive Career Development through a Variety of Educational Opportunities

The educational system of Hitachi Construction Machinery includes hierarchical and functional education courses as well as selective and optional education courses. Hierarchical education is to master the capabilities and minds required for each hierarchy from the newly employed to management, and the Human Resources Dept carries it out for all the employees of the company. Functional education is for mastering the functional capabilities required for sales, service, production and development respectively, and individual education opportunities are offered to employees under the policies set forth by the relevant Education Promotion Committee.



■ Supporting Career Development based on Close Communications

In order to nurture corporate culture where each individual define what he or she should do by setting goals for each year and voluntarily taking actions to achieve them, Hitachi Construction Machinery has introduced an objectives management system. In implementing the system, the "3C interview", where a senior manager performs for supervisors or lower subordinates that he or she manages, plays the key role. The meaning of "3C" is "Challenge Program" for objectives management, "Career Development Report" to analyze functional accomplishment capabilities of employees and to clarify capability development targets, and "Communication Sheet" in which subordinates ask for advice and pose questions.

At the 3C interview, these three tools are used for promoting communication between the senior manager and his subordinate and for setting up the yearly targets and career development plan tailored for the subordinate. Moreover, we consider that communication with senior managers is a condition indispensable for building a comfortable workplace.

■ Developing Core Human Resources in Overseas Group Companies

Hitachi Construction Machinery also provides employees of its Group companies with education and training. Especially recognized as the current key challenge is human resource development of the overseas Group companies to play a core role in strengthening the global operation structure. Since 2004, Hitachi Construction Machinery has hosted management training for overseas Group companies in order to enable each participant to understand the corporate philosophy and to be aware that he or she assumes an important role in the Hitachi Construction Machinery Group. In February 2006, the 3rd seminar and training over a week was held with a total of 15 participants from Europe, Africa, the Middle East and Canada.



Lecture by an external lecturer (3rd seminar and training)

■ Developing Human Resources to Support the Rental Business

What we especially put emphasis upon is the development of human resources to support the rental business increasing its importance in the domestic market. Group training courses and other education opportunities are offered mainly for outlet managers of REC's, our rental business companies established in each region.

■ Supporting Employees to handle Both Career and Family

To support employees to "handle both a career and family," Hitachi Construction Machinery has introduced a wide range of systems including maternity leave, spouse's maternity leave, child care leave, shorter working hours, nursing care leave and family nursing leave.

■ Backup for Those posted Overseas and their Families

As overseas operations have increased, the number of employees posted overseas has drastically increased. Hitachi Construction Machinery backs up and supports them and their families on leading a life in foreign countries. At the time of leaving for the post, each employee is provided with information regarding life in the posted country and opportunities for language acquisition. In collaboration with the labor union, the company also visits families of those posted overseas to give necessary care.



Visiting the family of employees posted overseas

■ To expand Employment Opportunities for Physically Challenged Persons

Hitachi Construction Machinery has been eagerly engaged in increasing the employment of the physically challenged, contributing to providing employment opportunities and improvements in their wage standards.

■ Thorough Attention to Occupational Safety and Health

At Hitachi Construction Machinery, the Occupational Health and Safety Promotion Committee collects information on on-the-job accidents in the Group companies. Based on its results, the basic policies and concrete implementation targets are decided to promote occupational health and safety actions in order to continuously prevent accidents.

Fiscal 2005 Basic Policies

Acting on the spirit of respect for life and law observance, we positively promote prevention of work-related accidents, reduction of risks in the workplace and other occupational health and safety actions and commit ourselves to establish a workplace environment where each employee can work with a sense of safety and security.

Concrete items to be implemented

1. Promote thorough safety management led by managers who take the initiative and set a good example for others and occupational health and safety actions by participation by all
2. Safety awareness raising through safety education
3. Promotion of making machine facilities and operation methods essentially safe
4. Establishment of comfortable workplace and maintenance and promotion of health
5. Thorough driving safety management

Thorough raising of awareness and understanding of chemical handling

In the past, we had an experience of an accident of a burn caused by chemicals when an environment-related product was handled. Learning a lesson from this accident, we have taken measures to prevent accidents including awareness raising regarding cautions at the time of chemical handling.

Prevention of asbestos-induced damages

Materials and components used for products have already been made asbestos-free. In Fiscal 2005, we conducted surveys on factories and other buildings and took countermeasures wherever necessary. Health check opportunities are also offered for those engaged in mounting asbestos parts and works at industrial waste processing facilities on a request basis.