

NEWS RELEASE

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2013 New Year's Greetings from the President Let's Make This a Year Where We Further Step Up Our Efforts to Implement CS11

The following speech was delivered by President and CEO Masao Hisada to all employees during his New Year greeting.

Happy New Year.

2012 was a tough year as the global economy languished amidst the backdrop of the continuing financial crisis in Europe. In Japan, the persistently high yen has hurt the economy and the outlook for 2013 is not very bright.

In 2012, the Hitachi High-Tech Group made progress in achieving the goals of Corporate Strategy 2011(CS11*), our long-term management strategy, by bolstering our production and R&D, accelerating expansion overseas, and making new investments. As of January 2013, SII NanoTechnology Inc., became part of the Hitachi High-Tech Group where they will be known as Hitachi High-Tech Science Corporation.

I want us to build a solid foundation and continue to steadfastly challenge ourselves so that we can make this a year in which we steadily step up our efforts to implement CS11. I have four points that I would like to ask you all to focus on.

The first is globally promoting business in growth sectors, with an awareness of our core competencies. CS11 identifies the four business sectors of next-generation electronics, life sciences, environment & new energy and social innovation as the sectors we will target. I want you all to combine the Hitachi High-Tech Group core competencies of global sales, global sourcing, technology development, and manufacturing service in these four growth sectors and display business creativity to which the combined strength of the Hitachi Group is added. In addition to this, as a company we will aggressively proceed with strategies such as mergers and acquisitions.

What I am asking you to do is to maintain a perspective of the company as a whole, and to take up the challenges before you while also considering how to create synergy by combining our core competencies. If you not only think about what you personally can do for the customer, but also about what we as the Hitachi High-Tech Group can do, this should greatly expand opportunities for your workplaces.

We have set a target of increasing our overseas sales ratio to 67% in FY2020 so the sites for us to seize opportunities are expanding globally. I want us to further accelerate collaborations with cutting-edge companies in leading nations, shift procurement and production resources from Japan to overseas, and launch locally developed new businesses, and to boldly take on opportunities grasped on the frontlines. Let us show how well we all work as a team and move toward achieving the aims of CS11.

My second point is to always look at things from the customer's perspective and continue to provide high-tech solutions.

We do business in areas that are on the cutting-edge of their respective fields, and these fields are subject to rapid change in which it is extremely difficult to foresee future prospects. When doing business, I want you to always consider who your customers are and what they are asking from you; in other words, to ensure that you look at things from the customer's perspective. I believe that it is when we take swift action that respects the customer's ideas and intentions and demonstrate our business creativity that we can provide Hitachi High-Tech's unique creative and innovative value.

Looking at things from the customer's perspective also enables us to grasp their latent and future needs. I want us to engage in open communication with our customers, suppliers, and markets to grasp coming trends and thoroughly adopt a stance that places prime importance on market-oriented development. Let us further push the development of

new products and new business models to further promote even greater new business creation so that we can develop into a Hitachi High-Tech Group that leads the way for our customers' future and grows alongside them.

My third point is to continue to evolve, unafraid of change, and implement the Hitachi High-Tech WAY.* When implementing CS11, it is essential that all Hitachi High-Tech Group employees share the Group's philosophy, values, and strategies. In other words, it is essential that we share the Hitachi High-Tech WAY, incorporate it into our daily work, and continue to practice it in a form that suits our particular workplace. In order to do so, I would like you to open up your workplaces to new ideas and activate communication.

A key point in implementing the WAY is to incorporate new ideas and ways of doing things, and to initiate personal change. It means to swiftly grasp changes in the business environment, and to change our existing perspectives, actions, and awareness. I ask that you not be afraid of change and take that one extra step forward so that we can implement the WAY.

My fourth point is to have high aspirations and pride in your work, and aim to be a truly socially responsible corporation that can develop and grow with society. Our awareness of the Hitachi High-Tech Group as a part of society finds expression in contributing to social progress and development by creating value that is unique to us, and through providing this unique value, we can contribute to society's growth and development. Resolving social issues and responding to society's needs leads to the creation of value that is shared by society and Hitachi High-Tech. Thus, each one of us needs to think in terms of corporate social responsibility (CSR) if we are to make the society in which we exist a sustainable one.

The source of the energy for the Hitachi High-Tech Group to create new value with society lies within each of us. I ask you all to have high aspirations and pride in what you do. We are aiming to be a company that creates value, and that means a company where each individual tackles their work with high aspirations and pride so that their company can grow into one capable of contributing to society. Let us aim to become such a company, and all pool our strengths and continue to challenge ourselves, with great dreams and aspirations in our hearts.

Finally, I would like to remind you to base your actions on ethics and integrity, and choose ethical grounds over immediate profitability, as the trust we earn from society is the basis upon which we are able to continue to do business.

It is in practicing these principles that we earn the empathy and trust of society. We do business on the assumption that we are trusted as a company, as an organization, and as individuals, which allows the Hitachi High-Tech Group to grow continually alongside our customers and society. Always keep in mind that we are members of society, and, as a true CSR enterprise, I hope that you do your best to help create an affluent society.

With a change in government at the end of the year the yen shows signs of easing, but, as I said at the outset, the economic climate we find ourselves in is bleak. However, I believe that together we can overcome the adversities before us by aiming for the goals set forth in CS11 while building the solid foundations for long-term growth and seizing the opportunity to change that is before us.

Let us now unite our hearts and minds, throw ourselves into the challenge of "becoming a global leader in high-tech solutions," and make 2013 the year in which the Hitachi High-Tech Group further steps up our efforts to implement CS11.

I wish you and your families all the best in the New Year, and hope that 2013 is prosperous for the Hitachi High-Tech Group.

* Announcement of Hitachi High-Tech Medium-term Management Plan 2013

<http://www.hitachi-hitec.com/global/whatsnew/2011/nr20111025.pdf>

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