

January 4, 2010

New Year Message from the President

- Inspired by a Dream and with High Aspirations, Let Us Tackle the Challenge of Reform As We Aim for Even Further Growth-

As we step into 2010, I wish everyone in the Hitachi High-Tech Group great happiness in the coming year.

For the first time in its history, Hitachi High-Tech has forecast an operating loss for FY2009. I want everyone to pool their ideas to produce results that are better than the initial plan. To overcome this crisis we will need to carry out reforms and reduce total costs. Completing this restructuring of our business operations will strengthen our management set-up for 2010 and the future. I ask each one of you to keep up your efforts to enhance our management practices so that we can achieve a rebound in our business performance in this year.



Hidehito Obayashi
President and CEO

2010 is a significant year in that it is the 100th anniversary of Hitachi's founding. The following year, 2011, is the 10th anniversary of the founding of Hitachi High-Tech. In our tenth year we are approaching a major turning point. Now is the time for us to lay the foundations for growth in the next decade. Initiatives such as the New Business Creation Project are already working to establish the next cornerstones of our business. This year we must push forward with such programs and work together with the aim of maximizing both customer value and the corporate value of the Hitachi High-Tech Group.

As we move into 2010, I would like to send four messages to all of you working in the Hitachi High-Tech Group.

1. Let us capitalize on our forte of integrated manufacturing, sales and service capabilities to achieve a rebound
2. Let us make use of new ideas to tackle the challenge of new businesses and new fields
3. Let us act from a more global perspective
4. Let us possess a sense of responsibility and high aspirations as we make this into a company that has a dream

1. Let us capitalize on our forte of integrated manufacturing, sales and service capabilities to achieve a rebound

In our field of cutting edge technology, it is essential that we understand the true needs of the customer. We must recognize that time is a major factor for customers, speed up our operations and develop business that is one step ahead of the competition. I ask you to fully utilize the Group's technical development, marketing and service capabilities to get us back

into the black in FY2010. Our unique integrated manufacturing, sales and service system is our Group's greatest strength. Based on that, plus speedier information sharing and enhanced cooperation between all divisions and Group companies, we can move ahead aggressively with development that anticipates market needs.

When it comes to quality and reliability, I want the entire Group to always focus on incorporating quality right from the start of development. We must work on improving all aspects of quality and find ways to improve customer satisfaction. As the Group unites to boost awareness of key issues and implement new initiatives, I ask each of you to persevere so that we can achieve a rebound in FY2010.

2. Let us make use of new ideas to tackle the challenge of new businesses and new fields

The most important thing now is to change ourselves in response to the changes in society and the market. Change represents risk, but also a chance, and the current situation can be seen as an opportunity that will launch us into a new age. In 2009, to respond to changes in the business environment, we set up the Global Trading Group, the Strategic Planning Division, and strengthened trading division strategies to create business that provides added value. In addition, we established the Energy & Environmental Solutions Division and are focusing more management resources on growth markets.

I want you to first listen carefully to the customer. We must bring an understanding of the frontline to our analysis of the market and then fully exploit our company's core technology and information network. Rather we must respond swiftly to change while also creating change ourselves, acting with a strong desire to lead the market. It is the power of the frontlines that will get us through this difficult period and drive us forward. I want each one of you out there in the field to read the changes that are necessary and set about taking action towards our next leap forward without letting yourselves be bound by traditional mind-sets and methods.

3. Let us act from a more global perspective

Further globalization is essential to accelerate the growth of the Hitachi High-Tech Group. We will strategically strengthen global management to raise the ratio of overseas sales from 50% now to around 70% in the future. In recognition of the fact that emerging nations and regions are driving world growth, we urgently need to implement hard-hitting measures including expansion of production bases in those countries.

Training staff to implement our strategies is key to success in globalizing our business. I would like to encourage the internationalization of the younger generation in particular, the people on whom our company's future depends. Language is an issue that cannot be avoided in an era of globalization. For young Japanese staff, I want to make our aim "Japanese, English plus one more language". Along with this we will enhance our system to enable staff to experience working, training or studying overseas. In addition, we will actively increase the number of transfers from overseas Group companies to Japan or other countries.

We need to take another look at the awareness of globalization in each of our workplaces and develop a clear image of how each employee and workplace can contribute to it. I would like you all to be enthusiastic about playing an active global role, and to aim to become professionals whose talent is recognized in global society.

4. Let us possess a sense of responsibility and high aspirations as we make this into a company that has a dream

As I always point out, each of you being a reliable businessperson with strong aspirations and integrity leads to the world recognizing Hitachi High-Tech Group as a company with virtue and selecting us as a business partner. It is important to strengthen our awareness of compliance when making decisions or taking action. In particular we must base our actions on “ethics and integrity” and “ethical grounds rather than immediate profitability”.

Hitachi High-Tech’s corporate culture policy states that we should “tackle new challenges”, be “a vibrant, enterprising company that is open to new ideas” and “encourage speedy and efficient performance through teamwork”. The shared values in the Group, our mutual respect and having high aspirations in our work help to produce a sense of fulfillment and to realize our dreams. Let us all work together to build a company that has a dream: one where the personal growth of each individual leads to the growth of the Hitachi High-Tech Group.

I would like to end my New Year message with the wish that 2010 will be a very positive and rewarding year for you, your families, and the Hitachi High-Tech Group.

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