

October 25, 2011

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

Hitachi High-Technologies Corporation (TOKYO:8036, Hitachi High-Tech) today marked the 10th anniversary of its foundation by announcing its new “Long-term Management Strategy (CS11: Corporate Strategy 2011)” for the next 10 years, and the “Hitachi High-Tech Medium-term Management Plan 2013,” which covers the period up to and including fiscal 2013, the year ending March 31, 2014. An overview of the strategy and the plan follow.

1. Overview of Long-term Management Strategy (CS11: Corporate Strategy 2011)

(1) Corporate Vision and Strategy Statement

The Hitachi High-Tech Group has formulated the Long-term Management Strategy (CS11: Corporate Strategy 2011) to serve as a roadmap for business progress and a guide to decision-making for the next decade, as the Group strives to achieve its corporate vision of “becoming a global top in high-tech solutions.”

A strategy statement that forms the core of CS11 has also been drafted to make the strategy easier to share with all members of the Hitachi High-Tech Group.

<Strategy Statement>

Leading the way for our customers' future as a fast-moving creator of cutting-edge business

- i) Scope of activity: “Cutting-edge business”
- ii) Core competencies: “Fast-moving creator”
- iii) Objective: “Leading the way for our customers' future”

i) Scope of activity: “Cutting-edge business”

Leveraging its strengths in technology development, global sales and procurement, and manufacturing and services, Hitachi High-Tech has selected four promising business fields that are expected to become growth markets in the future: next-generation electronics, life sciences, environment and new energy, and social innovation.

Moreover, on the front-line, Hitachi High-Tech will use its global network of bases as a starting point to strengthen its response to growing global markets and develop its overseas businesses, particularly in the Asian belt zone.

The Company will pursue its global strategy, aiming to achieve an overseas sales ratio of 67% or more in fiscal 2020 (with 10% of overseas sales from business in emerging markets).

ii) Core competencies: “Fast-moving creator”

Hitachi High-Tech's business creation expertise is derived from a fusion of its functional capabilities as a trading company (global sales and global sourcing) and as a manufacturer (technology development and manufacturing service), as well as the overall strength of the Hitachi Group. This combination allows the Company to share market needs of the trading divisions with technology seeds of the manufacturing divisions to provide the optimal combination of hardware, systems, IT, and services to match customers' needs. This is the very definition of a true high-tech solution.

Combining both trading and manufacturing functions, this business model is unique to the Hitachi High-Tech Group. By continuing to hone and operate this core competence the Company plans to create new businesses to account for one-third of its net sales by fiscal 2020.

iii) Objective: “Leading the way for our customers' future”

Standing with customers at the technology forefront refers to Hitachi High-Tech's goal of focusing mainly on development to continue the pursuit of added value from the customer's perspective at all times.

Adopting this stance in all areas of business, the Company strives to achieve high medium-term earnings targets and promote highly profitable business by continuously making active investments.

Item	Main details
Capital investment	- Establish optimal global production system - Strengthen global IT infrastructure
Research and development investment	- Continue to invest the equivalent of 10% of proprietary product sales - Of this, allocate 10% to new business development
Business investment (M&As/Investments, etc.)	- Invest actively to launch new businesses in growth markets - Focus on life sciences and environment and new energy fields in particular

(2) The Hitachi High-Tech WAY

Due to business integrations carried out since fiscal 2001, the Hitachi High-Tech Group grew to a consolidated group of 10,000 employees from various corporate cultures. This created a need for management to establish a set of key values for all employees of the Group to share. To this end, since fiscal 2009, the Group has promoted “Hitachi High-Tech SPIRIT” activities.

In 2011, the Group has held 20 “SPIRIT Meetings” each attended by about 400 employees from in and outside of Japan. These sessions produced four values to be shared: “Challenge,” “Speed,” “Openness,” and “Teamwork.”

In the years to come, the Hitachi High-Tech Group will strive to realize true CSR as a corporation, by sharing and realizing the Group’s philosophy, values, and strategies through the Hitachi High-Tech WAY, which integrates the Group’s Corporate Vision, CS11, and the Hitachi High-Tech SPIRIT.

2. Overview of Hitachi High-Technologies Medium-term Management Plan 2013

(1) Fiscal 2011 Results Forecasts and Fiscal 2013 Targets

(100 million yen)

	Fiscal 2011 Results Forecasts	Fiscal 2013 Targets
Net sales	6,500	8,000
Operating profit	280	500
Operating profit ratio (%)	4.3	6.3
Net income	180	310
ROE (%)	7.2	10.7

(2) Business Policy

- i) Establish a stable earnings base (maintain and strengthen core businesses, continue to reduce costs)
- ii) Strengthen business portfolio by investing resources in growth fields
- iii) Increase profitability by promoting solutions business
- iv) Promote environment-related business
- v) Promote social innovation business in emerging markets

(3) Initiatives for Realizing Medium-term Management Plan

- i) Establish optimal global business management structure

Since the beginning of fiscal 2011, the Company has promoted optimized management for the entire company by introducing a structure comprising four Business Groups and establishing a cross-group organization at the same time to deal with management strategies, sales, R&D and other functions.

- ii) Accelerate global development of sales and manufacturing

The Company established a local subsidiary in Indonesia in October 2011, and will systematically reinforce its sales and service bases in Brazil and other countries.

The Company will secure land in China (Suzhou) for new manufacturing plants to expand the line-up of production

items and production capacity.

iii) Accelerate new business creation activities

The Company started the new business creation initiative scheme^(*) in fiscal 2009 as a means of creating new pillars of business.

The following three projects are currently being commercialized.

- Drug manufacturing research support (solutions for new drug manufacturing processes)
- Social infrastructure analysis solutions (solutions for applying analysis technologies for a safe and secure society)
- Coating and deposition solutions (total solutions for equipment, raw material, and manufacturing processes)

^(*) New business creation initiative scheme:

A scheme for advancing “C (Challenge/Corporate) projects” that hold potential to be future earnings pillars for the Hitachi High-Tech Group, and that lie outside of the framework of the Company’s existing businesses.

Specifically, projects that allow harnessing of synergies between trading divisions and the Company’s own product divisions in business fields that the Company wants to develop. Alternatively, projects that are best carried out through the effort of the entire Company because of the scale or timeframe of their development.

Note: Statements made in this release with respect to the Hitachi High-Tech Group's plans, future performance and strategies are forward-looking statements based on certain assumptions that the Company judges to be reasonable at the time they are made.

Accordingly, please note that actual performance may differ materially from expectations due to a range of factors and forecasts may be changed without prior notification.

Media Inquiries

Hitachi High-Technologies Corporation

Corporate Communications Department

CSR Division

Tel: +81-3-3504-5138