

# NEWS RELEASE

**Hitachi High-Tech**

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**Hitachi High-Technologies Corporation**

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## **New Year's Greetings for 2012 from the President Taking up the challenges of our "Next Decade"**

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

Happy New Year.

2011 was a year of hardship. Japan was struck by a massive earthquake and nuclear catastrophe. On top of that, a historically high yen, the financial crisis in Europe, and floods in Thailand have plunged the global economy back into uncertainty. It is amidst this backdrop that we are meeting this adversity head-on and are doing our utmost to improve corporate performance.

Last October, the Hitachi High-Tech Group publically announced our CS11 long-term management strategy, aimed at the "Next Decade," and our medium-term management plan to the end of FY2013. The corporate vision of our Group is "to become a global top in high-tech solutions," and CS11 both maps out a business route to realize our corporate vision and acts as the foundation for the decisions we make.

If we are to achieve its objectives, I would therefore like to designate 2012 as the year in which we act to implement CS11 and the medium-term management plan in concrete form, the year in which we take up the challenges of the "Next Decade." As this new year begins, I have five messages for you aimed at making 2012 a new start for the Hitachi High-Tech Group's Next Decade.

The first is to keep on challenging yourselves as you work toward putting CS11 and the medium-term management plan into practice and realizing our corporate vision. The strategy statement at the very heart of CS11 is to "lead the way for our customers' future as a fast-moving creator." It expresses our sphere of action, core competence, and objective.

Our sphere of action consists of four cutting-edge sectors: next-generation electronics, life sciences, environment & new energy, and social innovation. In these sectors it is essential to anticipate market changes and always keep up with what the customer will need tomorrow in fresh growth areas. On the front lines, we will boost our response to the global market by collaborating with leading clients in developed nations while accelerating our expansion into emerging markets in the Asian belt zone.

The Group's core competence of business creation fuses the strengths of our trading capabilities and manufacturing capabilities, and then combines this with the overall strength of the Hitachi

Group, giving us the ability to create true “high-tech solutions.” That our Group possesses both trading and manufacturing capabilities is what makes this business model possible, and we will continue to boost this as our core competence.

The objective of CS11 is to “lead the way for our customers’ future,” which means consistently placing top priority on development so that we can continue to seek added value from the perspective of the customer. This is the stance that we will adopt as we invest actively and persistently to realize high-profit operations.

In our medium-term management plan, based upon CS11, we will speed up our initiatives with the following medium-term business policies:

- Establish a stable earnings base by maintaining and strengthening our core business, and by reducing costs.
- Strengthen business portfolio by investing resources to growth fields.
- Increase profitability by promoting solutions business.
- Promote environment-related business.
- Promote social innovation business in emerging markets.

I ask you to challenge yourselves with even greater resolution in the coming year so that we can implement our medium-term business plan and realize our corporate vision. Hitachi, Ltd. will also roll out the Hitachi Smart Transformation Project (known as the “Smatra Project”) to reduce costs across the entire Hitachi Group. As we work toward our goals, I encourage everyone to help meet this project’s goals.

The second point I want us to take on is to promote the Hitachi High-Tech WAY through teamwork and openness. We have now grown into a global group that links together 10,000 employees. Shared values are needed if we are to achieve further progress and growth. In 2009 we started the Hitachi High-Tech SPIRIT to help build a corporate culture, with 400 employees from across the High-Tech Group taking part in SPIRIT Meetings and arriving at four core values we should share: “challenge,” “speed,” “openness” and “teamwork.”

To mark our tenth anniversary last year, we have combined our corporate vision, CS11, and the Hitachi High-Tech SPIRIT into one to form, the Hitachi High-Tech WAY, and from now on the three will be promoted in an integrated form. The Hitachi High-Tech WAY is a very important pointer to maximize value for all our stakeholders, including our Group employees, customers, and shareholders. Through such action, let us share our corporate philosophy, values and strategies, demonstrate teamwork, and aim to create an “open” Hitachi High-Tech Group in Japan and overseas.

My third point is to approach your work from the customer’s viewpoint and have a sense of urgency. The Hitachi High-Tech Group does business in advanced, cutting edge fields, which are subject to

dramatic market changes. Conducting business in these fields means it is important to anticipate market changes and always deal as swiftly as possible with what the customer will need tomorrow in new growth areas so that we can lead the way for their future. For the Hitachi High-Tech Group to remain at the forefront of advanced technology and high-tech solutions, we must always continue to challenge ourselves to come up with new innovations and push the boundaries of technology.

If we are to lead the way for our customers' future we must emphasize development. And, as we pursue this development, our approach and actions must be grounded in creating added value from the customer's viewpoint. I hope that you all approach your work from the customer's point of view and act swiftly as you endeavor to put CS11 and the medium-term management plan into practice and realize our corporate vision.

My fourth point is to help protect the environment and work to create an affluent society as a true CSR enterprise. For the Hitachi High-Tech Group to carry out our business, it is important that we maintain harmony with society and contribute to its progress and development. We are currently expanding our operations in the sectors of the environment and new energy but there are still a wide range of areas where we can demonstrate our core competence of creating new business.

I would also like you to always keep in mind that we are members of society, and to always emphasize harmony with the local community and the global environment in your actions. As a true CSR enterprise, let us work together to create an affluent society, with each Hitachi High-Tech Group employee fulfilling their corporate social responsibility.

Finally, I want you to base your actions on ethics and integrity, and choose ethical grounds over immediate profitability. We do business on the assumption that we are trusted as a company, as an organization, and as individuals. It is in practicing these principles that we earn the empathy and trust of society, which allows the Hitachi High-Tech Group to continually grow alongside our customers and society. I ask that you make ethics and integrity, and ethical grounds over immediate profitability the basis of your decision-making and actions.

As I said at the outset, the economic outlook is grim. However, I believe that together we can overcome the adversities before us, and put CS11 and the medium-term management plan in practice. This year let us all pull together and take up the challenge of working to achieve further progress and growth for the Hitachi High-Tech Group, and the creation of an affluent society.

I wish you and your families all the best in the New Year, and hope that 2012 is prosperous for the Hitachi High-Tech Group.

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