

January 6, 2014

## **2014 New Year's Greetings from the President**

### **Let us Make This a Year Where We Make Great Progress towards Our Aim of Becoming a Global Leader**

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

Happy New Year.

2013 was a year of mixed results. In the global economy, although leading economies, such as the EU, showed signs of recovery after a period of stagnation, but the vigorous growth of emerging nations such as China is slowing down. If we take a look at the situation in Japan, while there is bright light thanks to signs of an economic recovery due to the effects of “Abenomics” and the decision to hold the 2020 Olympics in Tokyo, I think that 2013 was generally speaking a tense year, with a focus on the effect of the consumption tax increase to be implemented this April and the pending outcome of the TPP negotiations.

The Hitachi High-Tech Group has been aiming to realize our “Long-Term Management Strategy (CS11)” adopted in FY2011. Looking back on 2013, I think that it was a year in which we steadily prepared the business infrastructure for our coming full-scale advance.

Turning to this year, 2014 is the year in which we will leverage the powerful business foundation we have been building up and harvest the results. That said, I would like to say three things.

The first point I would like to make is to accelerate business creation so that we can continue to come out on top as a global player.

We need to shift resources to growth sectors and implement strategies to strengthen our business portfolios so that we can demonstrate our competitiveness and survive in the global market. Let us promote collaborations with the leading players in each sector, aim to run projects in close contact with the customer by making optimum use of our global network of manufacturing and sales bases, accelerate our development speed, and further promote the creation of new business.

We need to always be in search of the next project and the next business opportunity, to keep our ears to the ground and be ready to act, while still dealing impeccably with our existing business. For this, it is vital that we tackle our work with the awareness that the market will throw into clear relief what it is that our customers seek, and that we must then match their needs to the “seeds” and strengths that the Hitachi High-Tech Group possesses. The hardships you have been through alongside the customer will surely bear great fruit in the future. I expect you to demonstrate teamwork and to be resolute in tackling challenges.

My second point is that you continue to strive for innovation by putting the WAY into practice and harnessing Group synergy.

It has been two years since the Hitachi High-Tech Group established the Hitachi High-Tech WAY in October 2011 with the aim of sharing our ideals, values, and strategies as a global company. The WAY has been steadily spreading and taking root in the workplace. The WAY gets results by instilling awareness via constant reiteration. Last year, we launched the Hitachi High-Tech WAY Awards to further encourage participation and adoption of the WAY. I would like you to press on even more strongly in putting the WAY into practice in 2014. For this, there is nothing more essential than activating communication within the workplace and between departments.

I would like the management in all our workplaces to continue to take the lead in making the WAY a central part of our daily work, holding discussions, actualizing the SPIRIT of Challenge, Openness, Speed, and Teamwork, and continuing to aim to bring about real change.

My third point is to see CSR from a business perspective and boost our presence in the global market. There exists a diversity of values, all rooted in their own histories, topographies, and cultures, in the global community into which the Hitachi High-Tech Group is expanding. In order that our business may succeed, it is imperative that we properly understand and respect those values, and that we be a company that can be trusted by society.

I would like to ask you all once again to observe compliance thoroughly by having a strong awareness in your work of “ethics and integrity” and “ethical grounds rather than immediate profitability,” thoroughly enforcing risk management, observing laws and in-house regulations, and taking timely and appropriate action if an incident occurs.

As globalization proceeds apace, there is also unprecedented interest in how a company responds to demands from society, such as environmental conservation, respect for human rights, promotion of diversity, and participation in community activities. As a corporate group providing the high-tech solutions, I want us to be a company that, through our business activities, contributes to solving the various social problems that confront the world and to the progress of society. With this great dream and aspiration in our hearts, let us boost our global presence and aim to be a true CSR enterprise trusted by everyone.

Last year, the Hitachi Group established and announced the Hitachi Group Vision. This depicts the ideal future shape that should be shared globally by the Hitachi Group as “One Hitachi.” We need to collaborate even more closely as the Hitachi Group and make effective use of our combined strength in order that the Hitachi High-Tech Group can grow even more as a true global player. At the same time, we are required to continue to provide our trademark Hitachi High-Tech value in the high-tech solutions field.

I would like everyone working in the Hitachi High-Tech Group to be aware that you are part of “One Hitachi” and to make valiant efforts in the spirit of “doing work to breathe fresh life into society as a member of the global Hitachi Group.”

In closing, as I said earlier, I want to make 2014 the year in which we put the Hitachi High-Tech Group on a trajectory for even greater growth based on all the hard work you have put into building up our business foundation. Let us aim for even further progress, and achieve that goal now via a spirit of challenge and teamwork.

I pray that 2014 will be a bountiful year for you, your families, and for the Hitachi High-Tech Group. Thank you, and Happy New Year.

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