

# News Release

FOR IMMEDIATE RELEASE

## Hitachi High-Technologies Announces 2021 Mid-term Management Strategy

Tokyo, Japan, April 25, 2019 – Hitachi High-Technologies Corporation (TSE: 8036, Hitachi High-Tech) announced today that it has formulated the 2021 Mid-term Management Strategy running from FY2019 to FY2021. The plan is outlined as follows.

### 1. New Corporate Vision and Mission

As people’s lifestyles improve alongside global economic development, the stability of economies and markets has come to be influenced strongly by social issues and worldwide risks such as declining birthrates and increasing elderly populations, as well as environmental problems such as climate change and resource depletion. Against this backdrop, corporate value is now evaluated in terms of “social value,” (i.e., the ability to solve social problems through business activities), in addition to “economic value” like earnings. Companies need to create new value by solving social issues through providing products and services to customers. At the same time, the central focus of business has pivoted from products to customers, making it more important to identify and address potential issues and needs that customers have not noticed yet.

In June 2018, Hitachi High-Tech identified important issues (materiality) that it should address with the aim of solving social problems through its business characteristics and business models. Based on these identified materiality, Hitachi High-Tech will strive to discover customer issues and needs in its business fields while aiming to create new global niche markets by providing customer-oriented solutions.

Hitachi High-Tech has updated its corporate vision and mission with the objective of clarifying the ideal profile, mission and duties of a new Hitachi High-Tech that strives to help solving social problems while addressing changes in society.

Corporate Vision	Simplify our customers’ high-tech processes
Mission	Our mission is to help our customers be fast-moving, successful, cutting-edge businesses
Explanatory Phrase	Our observation, measurement and analysis systems maximize yields while minimizing waste and safeguarding profit. Our processes, production systems, components and materials help our customers stay ahead of the curve.

## 2. Positioning of the 2021 Mid-term Management Strategy

Under the 2018 Mid-term Management Strategy unveiled in April 2016, Hitachi High-Tech has positioned the three years through FY2018 as a critical period for shaping a growth cycle for 2020. While ensuring a reliable stream of income from core businesses, the Company has augmented its resources and made investments that will lead to the next generation of products.

Hitachi High-Tech has drawn up the 2021 Mid-term Management Strategy (hereinafter, the “2021 Strategy”) for FY2019 to FY2021 with the aim of solving social problems and improving profitability by providing solutions through its technologies, products and services based on its core technologies in “observation, measurement, and analysis” (i.e., measurement and analysis technologies), while continuing to aggressively invest in strategic growth based on its new corporate vision and mission.

## 3. Details of the 2021 Mid-term Management Strategy

### (1) Management Policy

Focused Solutions Company in Global Growth Markets

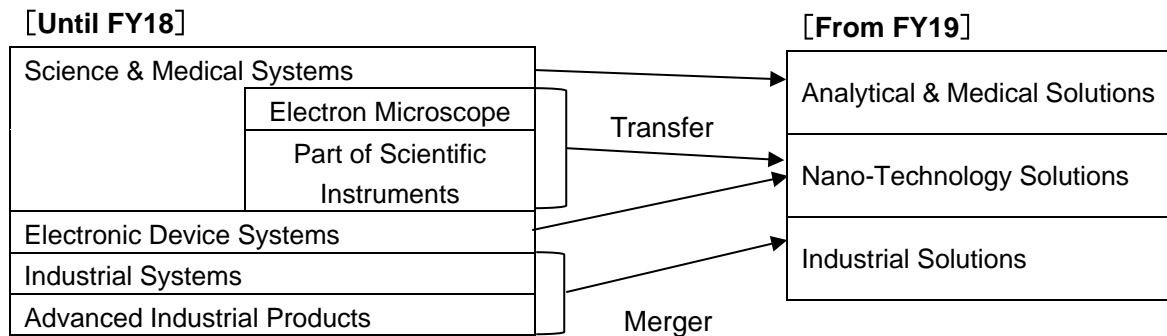
### (2) Basic Strategy

Focusing on customers’ issues, providing solutions, through our technologies, products, and services, based on our core technologies in “observation, measurement, and analysis”

Under the 2021 Strategy, Hitachi High-Tech Group will leverage its core competence in “observation, measurement, and analysis”, “Automation / Control”, “Monodzukuri”, “Capabilities for Global Sales & Business Finding”. The Group will strive to understand the issues in general markets faced by its customers that are ever individualizing and advancing, and provide tailored solutions that incorporate specialized systems, services and business models that target specific problems. In this way, the Group intends to expand globally while creating rare and specialized markets. While striving for further growth in leading existing businesses, Hitachi High-Tech Group aims to create and expand new leading businesses by providing specialized solutions.

In addition, Hitachi High-Tech Group is prioritizing the advancement of a digital transformation project to reinforce the business foundation with the aim of simplifying business processes. By creating new business processes that realize the next stage of growth, the Group is integrating points of contact with customers in manufacturing, sales and services while moving toward a customer-centric business style, aiming to accelerate monetization and expand business.

Along with the 2021 Strategy, Hitachi High-Tech Group will reorganize its four business segments into three and advance business with a focus on its core competencies.



### (3) Management Targets

#### 1. Financial Benchmarks

	FY21 Goal	FY18 Results
EBIT <sup>*1</sup> Margin	10% or more	8.8%
ROE	10% or more	11.9%
ROA <sup>*2</sup>	7% or more	7.3%

\*1 EBIT (Earnings Before Interest and Taxes): Earnings after the subtraction of interest income and interest expense from income before income taxes

\*2 Return on assets (ROA):

Net income before deducting non-controlling interests / total assets (end of the fiscal year) x 100

#### 2. Strategic Investments in Growth

	FY19~FY21 Plan (Cumulative)	FY16~FY18 Results (Cumulative)
R&D	100 Ybn	81.1 Ybn
Capital Investment	80 Ybn	54.6 Ybn
Business Investment	100 Ybn	19.7 Ybn

#### 3. Shareholder Returns

	FY19~FY21 Goal	FY18 Results
Dividend payout ratio	40%	30%

Management aims for a dividend payout ratio of 40% and minimum annual dividends per share of ¥100.

Hitachi High-Tech will execute the 2021 Strategy with the “Courage to Change and Be Changed” and realize further growth while contributing to society.