

Vision

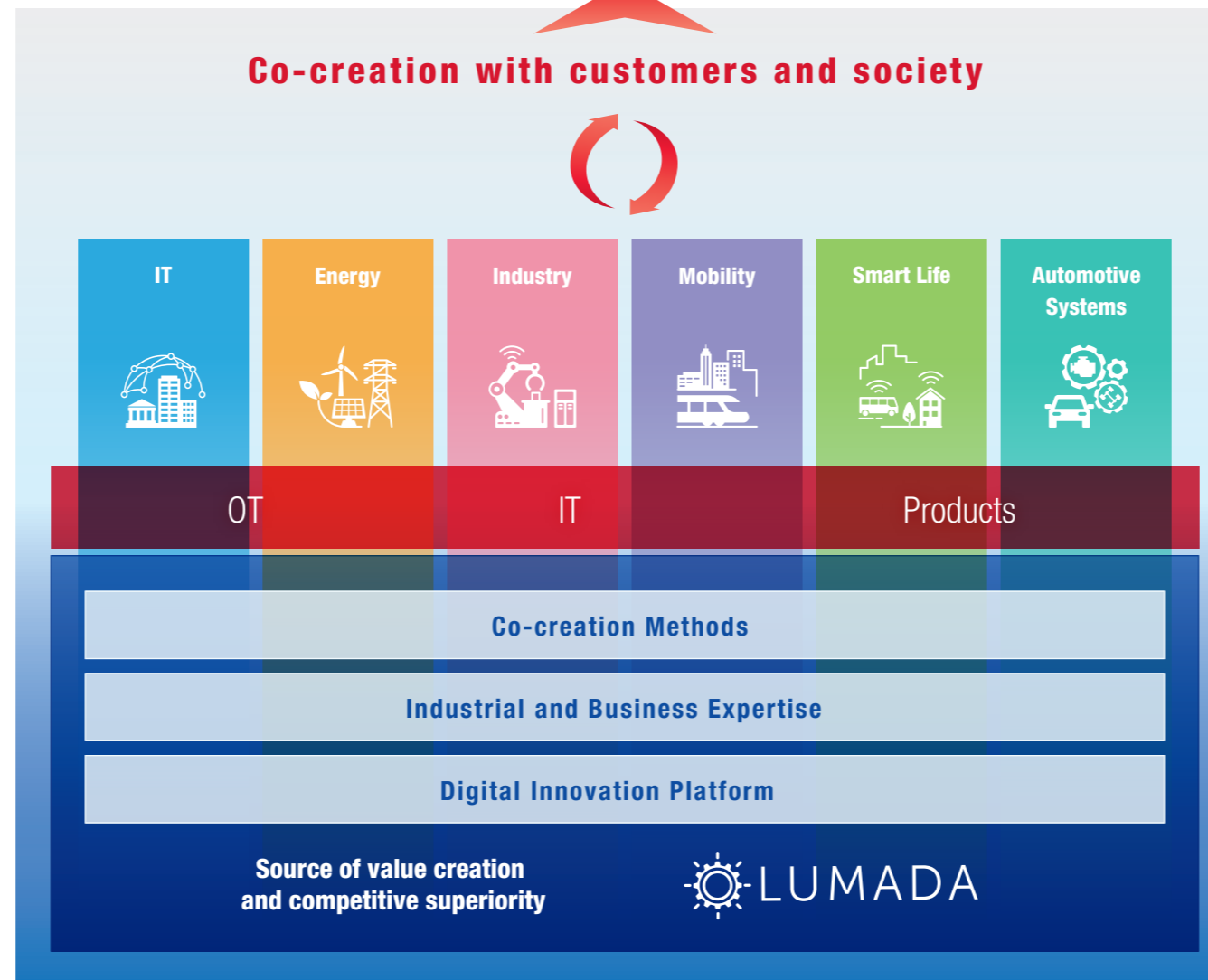
Realize a Sustainable Society through Improving Quality of Life and Adding Value for Customers

INPUT (FY2020)

- Human capital**
Diverse and global talent that can resolve social issues
 - Number of employees (consolidated)* 301,056
 - Overseas employee ratio 46%
 - Investment in education per employee 66,900 yen
- Intellectual capital**
Technologies/co-creation platforms to ensure global competitiveness
 - R&D investments 293.5 billion yen
 - R&D staff* 2,650
 - Customer co-creation centers* 11
- Manufactured capital**
Production/business processes enhanced through IT
 - Capital expenditure 359.8 billion yen
 - Manufacturing bases approximately 400
- Social and relationship capital**
Partnerships for creating value through co-creation
 - Lumada Alliance Program partners More than 40 companies
 - Investments in start-ups 7 companies (cumulative)
 - Funding for social contribution activities 1.9 billion yen
- Natural capital**
Efficient use of resources
 - Total energy input 61 projects (1.51 GL) (crude oil equivalent)
 - Raw material input 3,066 kt
 - Total water input 26.35 million m³
 - Total chemical substances handled 56.4 kt
- Financial capital**
Financial platforms and investments for creating value
 - Hitachi, Ltd. 3,525.5 billion yen (stockholders' equity)
 - Interest-bearing debt 2,397.3 billion yen
 - Growth investment 1,700 billion yen

Provide solutions focusing on three fields: the Environment, Resilience, and Security & Safety

Co-creation with customers and society



Sustainable growth strategies

- Expand Revenues by Accelerating the Social Innovation Business > P.28
- Enhance Global Competitiveness > P.36
- Reinforce Management System to Improve Profitability > P.46

Foundations supporting sustainable growth

- Addressing Risks and Opportunities > P.70
- Promoting Information Security > P.77
- Occupational Health and Safety, Employee Health > P.78
- Value Chain Responsibilities > P.79
- Quality Assurance > P.80
- Compliance > P.81
- Corporate Governance > P.82

MISSION Contribute to society through the development of superior, original technology and products.

OUTCOME

Simultaneously increase social, environmental, and economic value

Diversification and globalization of Human Capital (FY2020)

- Diversity and inclusion (D&I)
 - Ratio of female managers 9.5%
 - Ratio of non-Japanese executive and corporate officers 11.6%
 - Ratio of female executive and corporate officers 10.1%
- Digital talent Increase of 5,000 persons (Total: 35,000 persons)
- Engagement indicator in employee survey 62%

Increase competitive superiority to expand business

- Lumada business revenues 1.1 trillion yen
- Number of cases registered in the Lumada Solution Hub More than 100
- Lumada customer cases More than 1,000
- Lumada solution core More than 85
- Expand the use of Lumada in-house Application cases for internal IT services 257 cases
- Number of published of patent applications approx. 10,000

Reducing environmental burden (vs. fiscal 2010)

- Reduction in CO₂ emissions from products and services 20%
- Reduction rate in total CO₂ emissions at business sites (factories and offices) 39%
- Reduction rate in water use per unit 24%
- Reduction rate in waste and valuables generation per unit 14%
- Reduction rate in chemical atmospheric emissions per unit 33%

Accumulate resources for growth and returns

- Core free cash flows 419.8 billion yen
- Total dividends 101.5 billion yen
- Total shareholder return +106.4% (past 5 years)

Note: The total number of employees on a consolidated basis, the number of R&D staff, and the number of customer co-creation centers are as of the end of fiscal 2019. The number of manufacturing bases is as of April 2020