

Company Profile



Addressing Global Risks and Increasingly Serious Social Issues

Society is currently facing a major turning point. As the global economy continues to develop and people lead more prosperous lives, global risks such as climate change and social issues are significantly affecting our daily lives as well as economic and market stability. To help resolve these risks and social issues, many of our customers are now using artificial intelligence (AI), the Internet of Things (IoT), big data analysis and other technologies to digitalize their businesses and innovate for the new era that lies ahead. We believe that digitalization will change both customers' values and society. What customers want is not the value of the product itself, but the result of using the product—that is, the “utility value” generated when they use it.

To provide new utility value that customers want, we must digitalize both the objects (products) and the things (services) to provide them as solutions for automating customers' business processes. Furthermore, through the utilization of data from sensing and feedback, we must thereby help create new business opportunities for customers.

We provide solutions to help resolve social issues together with our customers.



Aiming to be a company always chosen by customers worldwide and needed by society

Takashi Iizumi
President and Chief Executive Officer

In responding to changes in public awareness and common sense due to social issues becoming increasingly serious and a global paradigm shift, companies are expected not only to pursue “economic value” such as revenues and profits, but also to provide “social and environmental value” that contributes to resolving social issues. To that end, we must strengthen our ability to respond to society. For all employees to share and understand the Hitachi High-Tech Group’s intended direction, we have set forth a Corporate Vision to “Simplify our customers’ high-tech processes” and a Mission that states “Our mission is to help our customers be fast-moving, successful, cutting-edge businesses.” To respond flexibly to changes in society, we must make difficult things easy, make complicated things simple, and change customers’ processes into simple ones. All members of the Group are forthrightly addressing this Corporate Vision and Mission as we change our previous approach of solving problems with existing objects (products) into one of resolving social and customer issues. In doing so, we are working to create our own unique value with the aim of becoming a company always chosen by customers worldwide and needed by 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.

The Hitachi High-Tech Group has drawn up the 2021 Mid-Term Management Strategy, with FY2021 as its final year. Under the Management Policy “Focused Solutions Company in Global Growing Markets,” we are leveraging our core competencies in “Observation, Measurement, and Analysis” (Measurement and Analysis Technologies), “Automation and Control Technologies” and “Manufacturing Capabilities” in combination with the “Global Sales Capabilities and Business Finding Capabilities” we have cultivated as a trading company specializing in the field of advanced industry. We identify the increasingly individualized and sophisticated issues of customers in general-use markets, and provide Focused Solutions that incorporate dedicated systems, services and business models to target specific problems. In particular, we will respond to customer needs and help to resolve social issues through our businesses in growth fields such as Bio/Medical, Device Tech, and diverse markets (New Fields) such as mobility, pharmaceuticals, environment, and social and industrial infrastructure. In this way, we intend to expand globally while creating specialized markets. While striving for further growth in our existing top

2021 Mid-Term Management Strategy

Management Policy	Focused Solutions Company in Global Growing Markets
Basic Strategy	Focusing on customers’ issues, providing solutions through its technologies, products, and services, based on our core technologies in “Observation, Measurement, and Analysis”

businesses, we aim to create and expand new top businesses by providing Focused Solutions. Moreover, we will make further advances in “Collaboration with Customers and Partners” rooted in robust relationships of trust, which are a Group strength, to identify the increasingly individualized and sophisticated issues that customers themselves have not yet noticed, with the aim of proposing new utility value rather than just products and solutions.

We will continue striving to improve corporate value through further growth and contributions to society by pursuing the strengths of Hitachi High-Tech Group’s unique nature without fearing change. From here on, we will keep working to become a successful enterprise trusted by all our stakeholders and to contribute to social progress through business activities that emphasize value creation through high-tech solutions. Moreover, we will continue to help resolve various social issues, with a raison d’être of being a company regarded as indispensable—one that both serves and is needed by society.

Our Accumulated Strengths

A Track Record of Providing Unique Value to Customers in Cutting-Edge Fields



Growth as a trading company specializing in the field of advanced industry through sales of physics- and chemistry-related equipment, industrial measuring devices and equipment, and materials.

Absorbed the spun-off instruments and semiconductor manufacturing businesses of Hitachi, Ltd. to integrate technological and product capabilities with sales capabilities. By deploying our world-class technological and product capabilities, as well as our global sales capabilities, business finding capabilities and collaboration with customers and partners, which utilize business bases located in 27 countries and regions, we can offer customers high quality, high productivity and other value as we help to resolve social issues.

As part of our transformation that aims to make complicated things simple and strengthen our ability to respond to society, we revised our Corporate Vision and Mission to clarify our ideals, mission and duties to mark the start of the new Hitachi High-Tech.

Strengths from Combining the Functions of a Manufacturer and a Trading Company



We provide excellent products and services using manufacturing capabilities that combine our core technologies in “Observation, Measurement, and Analysis” with automation and control technologies and craftsmanship.

Patents Owned
More than 8,000

Number of Skills Competition Medals Won (Cumulative Total)
World Skills Competition: **7**
National Skills Competition: **88**



We leverage the personal and business relationships and know-how that we have cultivated around the globe to provide solutions that anticipate market needs.

Customer Base
2,200
companies (approx.)

Commercial Material Suppliers
4,200
companies (approx.)



We create new value through robust relationships of trust based on close communication and collaboration.

Production Component Suppliers
1,500
companies (approx.)

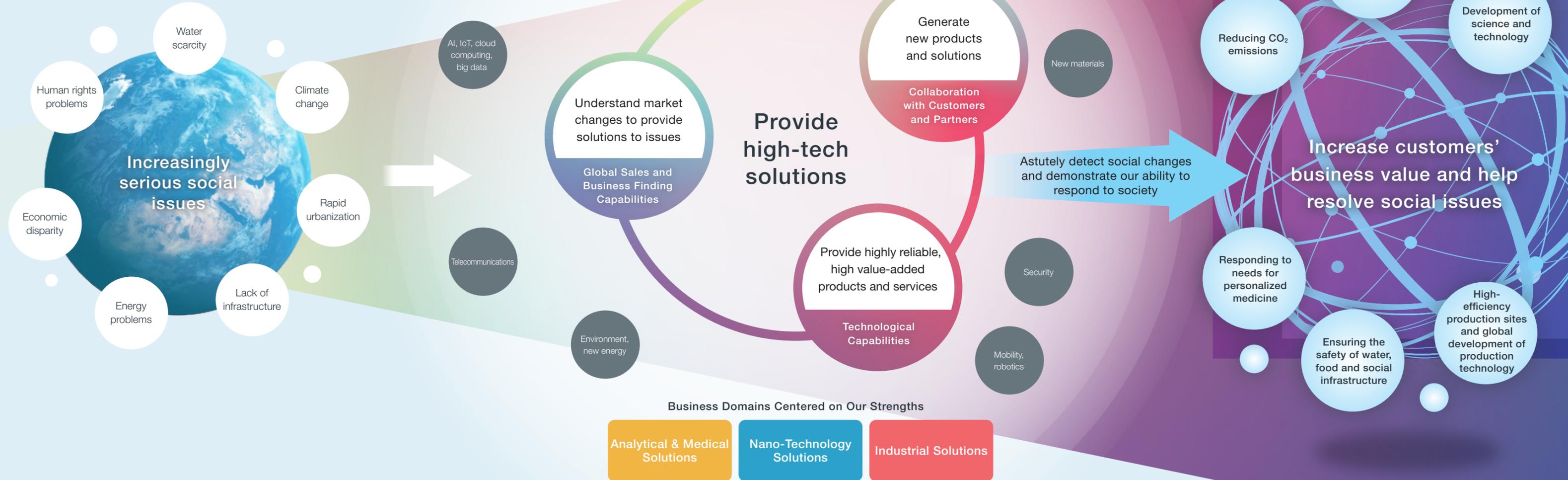
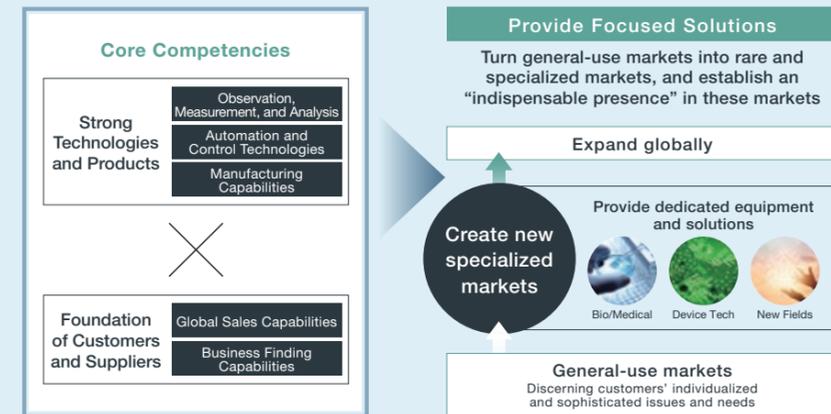
Main Global R&D Bases
20

Focused Solutions

Hitachi High-Tech: Becoming a Focused Solutions Company

"Focused Solutions" is at the core of Hitachi High-Tech's unique management policy for sustainable growth. By developing solutions and initiatives that anticipate changes in customers and society, we will maximize value for customers and help resolve social issues. We identify the increasingly individualized and sophisticated issues of customers in general-use markets, then leverage our core competencies to systematize and provide specialized solutions, including dedicated systems, services and business models, focused on those issues. In doing so, we are also taking on the challenge of becoming a company always chosen by customers worldwide and needed by society.

Basic Stance on Business Development



Our analysis technology will lead the way to a healthy and prosperous future, with health and safety for people and the sustainable development of industry.

Analytical & Medical Solutions

Based on optical technology, automation technology and other technology, we develop and manufacture scientific instruments for the Bio/Medical and Safety/Security fields, including clinical chemistry and immunodiagnostic analyzers, DNA sequencers and analytical instruments. We promote collaboration with leading global companies and open innovation with universities and external research institutes to provide Focused Solutions that meet customer needs. In light of increasingly individualized and sophisticated market needs, we aim to create niche markets by stepping up collaboration with partners through System Collaboration Business (SCB*) and proactively conducting R&D and investment to strengthen and expand business and acquire advanced core technologies.

* SCB: A business model that provides the best solutions through equal business partnerships with competitive reagent companies.



cobas pro integrated clinical chemistry and immunoassay analyzer



XRF Analyzer EA1400

Main Products



Thermal Analyzer NEXTA® DSC Series



Compact Capillary Electrophoresis Sequencer Hitachi DS3000

Strengths

- ▶ Technological Capabilities (Core Technologies)
 - Optical technology (UV-visible, fluorescence, X-ray, etc.)
 - Automation technology
- ▶ Research and Development
 - Collaboration with research labs at Hitachi, Ltd.
 - Open innovation with universities and research institutions

- ▶ Production & Development Foundation and Manufacturing Capabilities
 - Balance both high-reliability and high-efficiency production
 - World-class engineers in manufacturing (Skills Competition)
- ▶ Collaboration with Partners
 - SCB in the Biotechnology and Medical Products Business
 - Collaboration sites with global customers

Focused Solutions for Analytical & Medical Solutions

Basic Policy

Create Focused Solutions in the fields of Bio/Medical and Safety/Security by utilizing “analysis technology”

Develop general-use products into dedicated products to understand customer needs and create markets



* IVD: In-Vitro Diagnostics

In Focus

Contributing to expansion in the number of people who can be tested by providing products and services that support the increased efficiency and speed of testing operations

We have established a research center within customer hospitals, and there we are promoting coordinated research that contributes to solutions for issues of technology, devices, and operational efficiency in the frontlines of healthcare. Realizing heightened sophistication and efficiency of clinical laboratory tests, we are aiming to provide healthcare with safety and security based on high-quality test data as well as to reduce the burden of testing tasks on healthcare practitioners.

We work with our customers at the forefront of the electronics industry to support rapidly developing digital technologies, including AI, IoT and 5G.

Nano-Technology Solutions

Through “Processing” using high-precision plasma etching technology in addition to “Observation, Measurement, and Analysis” using electron beam and optical technologies, we contribute to customers’ cutting-edge R&D and mass production, and create new value. As the only equipment manufacturer in the semiconductor field capable of covering processing, inspection and analysis, we provide integrated solutions that meet customer needs for shorter development time, lower costs and higher productivity. We also provide solutions in the materials and biotechnology fields through collaborative creation with partners in growth fields such as batteries and pharmaceuticals.



Conductor Etch System 9000 Series



Advanced CD Measurement SEM CG7300

Main Products



Scanning Electron Microscopes SU3900



Transmission Electron Microscopes HT7800 Series

Technological Capabilities (Core Technologies)

- Electron beam technology (CD-SEM,* electron microscopes)
- High-precision plasma etching technology (etch systems)
- Optical technology (defect inspection tools)

* SEM: Scanning Electron Microscope

Manufacturing Capabilities

- Greater use of IT, mechanization, and AI in production processes
- World-class engineers in manufacturing

Strengths

Application Development Capabilities

- Mutual collaboration between etch systems, CD-SEM, and electron microscopes
- Joint creation with customers and partner companies
- Collaboration with Hitachi Ltd., universities, and consortia

Contribution to Scientific Technology Research

- Contribution to scientific technology research in collaboration with academia, including universities and research institutes, based on analytical technologies, such as for electron microscopes

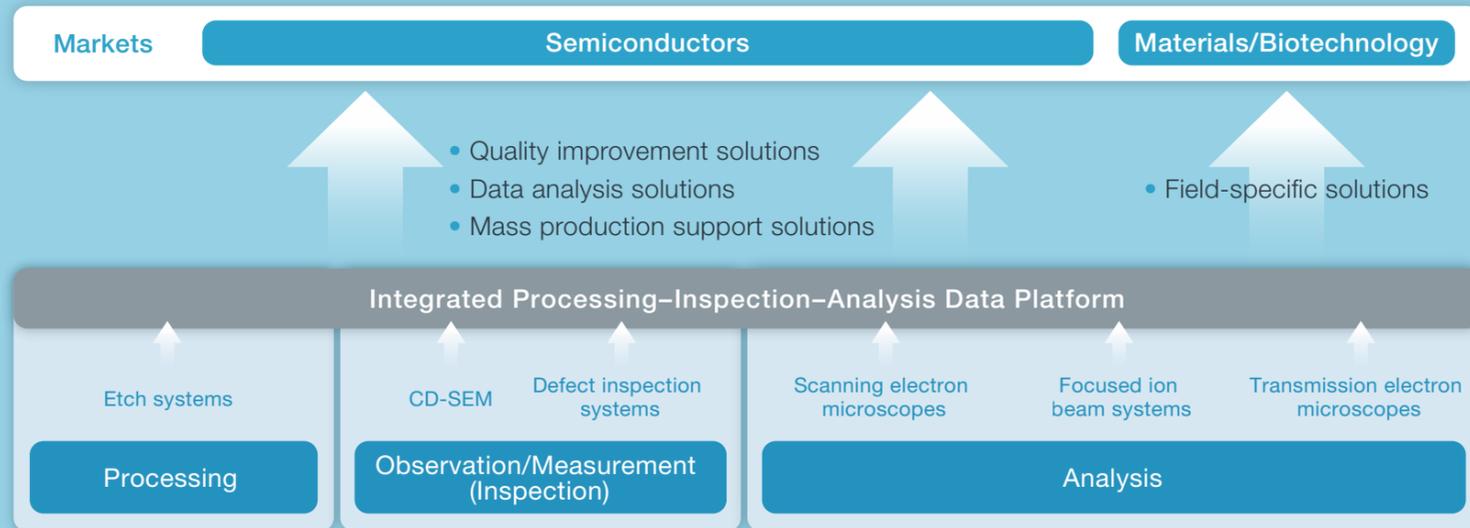
Focused Solutions for Nano-Technology Solutions

Basic Policy

Contribute to customers’ cutting-edge R&D and mass production through “Processing” in addition to “Observation, Measurement, and Analysis”

Provide integrated solutions and field-specific solutions

Value provided to customers: “Shorter development time,” “Lower costs,” “Higher productivity”



In Focus

Contributing to research, development and advances in manufacturing technology in a wide range of fields

In 2019, we developed and released on the market the TM4000II series of tabletop electron microscopes that realize even higher speed in elemental analysis together with other features. By enabling convenient operation and rapid analysis, we contribute to the evaluation of items developed in research and development efforts and to investigation and quality management in factories and other such front-line production settings. This also makes it possible to conveniently obtain transmitted electron images of microparticles, nanofiber, and other such nanomaterials as well as of the interior structure of cells and other such biological samples. In this way we contribute to the development of nanotechnology and to advances in pathology and regenerative medicine.

We provide solutions that leverage our high level of expertise in various fields of industry, as well as mobility, which underpin our lives and businesses.

Industrial Solutions

We enhance and integrate our customer-facing and engineering capabilities to provide solutions that help to resolve the issues facing our customers in the manufacturing sector. We create high value-added businesses based on resolving customer issues through operational technology (OT) that includes factory automation (FA), process automation (PA), IoT, and full value chain (FVC). In addition, we are working to enhance the digital solutions and analytical evaluation services businesses, and to develop new Focused Solutions through business collaboration with partners, including business investment.

Industry



- Issue-solving solutions
- Digital solutions that improve automation and productivity
- Analytical evaluation services business
- Global sales capabilities and customer base of around 2,200 companies

Main Fields

Mobility



- Global suppliers of around 4,200 companies
- OT × IT × big data analytical know-how
- Collaboration with partners that have core technologies
- Image processing technology, optical/laser testing technology, prompt inspection technology

Strengths

Focused Solutions for Industrial Solutions

Basic Policy

Create high value-added business based on resolving customers' issues through OT

 Industry market (manufacturing industry)

 Mobility market (manufacturing/services industries)

1 Utilize Global Customer-Facing Capabilities

Sales capabilities based on customers and suppliers expanding worldwide

Customer-facing sales

Front-end engineering

2 Solution Proposals

Identify customers' issues and propose solutions through collaboration with sales/engineers + partners

Services

High value-added solutions

Expand business opportunities

3 Business Finding Capabilities

Invest aggressively in finding and expanding new business opportunities originating with solving issues

5 Create Service Business

Utilize digital technologies to create solutions (product + service)

Development and manufacturing

4 Product Development Utilizing Manufacturing Capabilities

Utilize our manufacturing capabilities + increase internal production by business investment and collaborate with partners
→Work with customer-facing sales to develop products that address market needs

In Focus

Contributing to the development and heightened stability of telecommunications infrastructure through the sale of optical communications components for use in high-speed, long-distance transmission equipment

The optical communications components sold by us are used in the high-speed, long-distance transmission equipment that supports the foundations of next-generation telecommunications infrastructure, and in the telecommunications equipment used in large-scale data centers. In this way, we provide support to make people's lives comfortable by contributing to the construction of the cloud environment needed for working at home as well as to a stable telecommunications environment for smartphones, the internet, and so on.

Our Sources for Creating Value

We provide value to society through our business, driven by R&D, Innovation Promotion and Intellectual Property (IP) Activities

We collaborate broadly with a variety of external organizations and focus on activities that integrate the three aspects of business strategy, R&D strategy and IP strategy under the overarching management strategy of “Customers First.”



R&D

The Hitachi High-Tech Group has been strengthening its competitiveness as it provides new value to society, driven by the continuous development of cutting-edge technology and innovative business models. We are promoting the development of cutting-edge technology for both hardware and applications, with a focus on proprietary development in Analytical & Medical Solutions and Nano-Technology Solutions. While addressing major trends such as IoT and AI, we are also working to strengthen our existing technologies and create new businesses that resolve customer issues.

In addition to in-house development, we collaborate closely with the Research & Development Group of Hitachi, Ltd. to develop leading technologies that generate synergies within the Hitachi Group. In order to anticipate needs and take the lead in important technological

sectors, we are promoting participation in global consortia, joint research with universities and research laboratories, and partnerships with venture companies that have high levels of technology and expertise. We will bolster our foundation in measurement and analysis technologies through aggressive R&D investment to focus on developing solutions that will help resolve social and customer issues.

Innovation Promotion

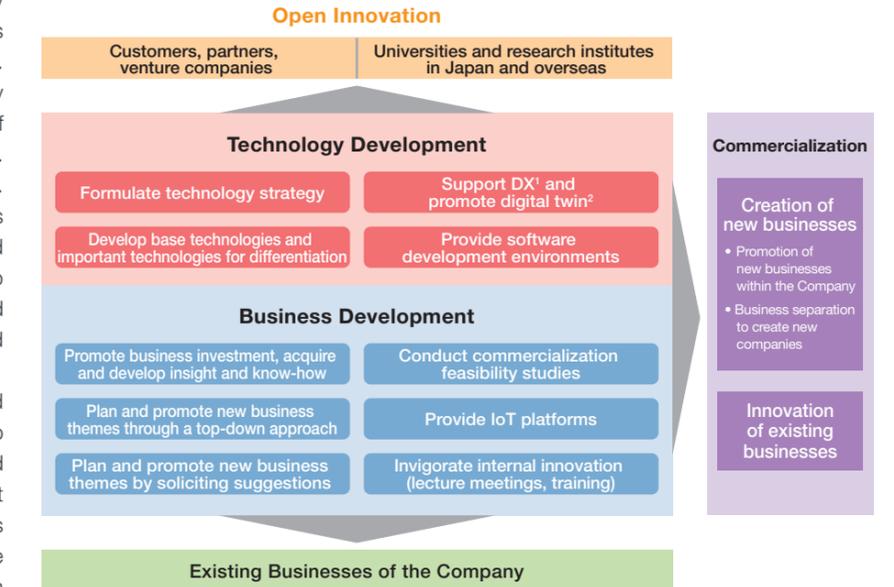
To achieve sustainable growth, we are looking to acquire and develop base technologies to be shared by all Group companies as well as important technologies that will help differentiate us from competitors. Furthermore, we are collaborating broadly with an array of external organizations to promote the creation of new businesses and innovation of existing businesses. Open innovation is the foundation for these activities. Specifically, we collaborate with customers, partners and venture companies as well as universities and research institutes in Japan and overseas to speed up the generation of ideas targeting business creation and innovation, while increasing the originality and added value of individual businesses.

We also emphasize the acquisition of insight and know-how by investing in venture capital and startup companies. Internally, we hold lecture meetings and training to invigorate the organization, extensively solicit ideas for new businesses and establish new projects from those ideas, several of which we have commercialized. For commercialization, we have in place frameworks and mechanisms that enable flexible decision making, such as for a business separation to create a new company, as necessary.

IP Activities

With the spread of IoT technology, the scope of intellectual property (IP) is expanding to include data and other information assets obtained from devices. In addition, there are now questions about who information assets belong to, or whether secondary use is allowed. In open innovation that utilizes external resources, such as collaboration with other companies and M&A, companies must evaluate partners and M&A candidates from the perspective of IP. To respond to such changes in the industry, Hitachi High-Tech established a framework in which the Intellectual Property Div. provides support to each business.

Innovation Platform



1. DX: Digital transformation
 2. Digital twin: A virtual model of a physical entity in its real-world state and situation, used to conduct simulations by sending data collected in real time to cyberspace.

Please refer to our website for details about activities and outcomes related to IP.
<https://www.hitachi-hightech.com/global/about/csr/governance/intellectual/>

Global Network

Hitachi High-Tech operates a global network covering 27 countries and regions, including 17 locations in Japan. Through this network we have developed collaborative relationships of trust with customers and partners around the world, enabling us to establish a customer base numbering about 2,200 companies worldwide and approximately 4,200 commercial material suppliers.

Major Overseas Bases Conducting Collaborative Creation with Customers

Process Engineering Center (Portland, Oregon, U.S.A)



Overseas technology development base for semiconductor production equipment that supports customers' R&D and production in cutting-edge fields

Espoo Technology Centre, Hitachi High-Tech Analytical Science Finland Oy (Finland)



Develops and manufactures handheld and mobile analytical instruments, mainly for quality inspection

Hitachi Instrument (Suzhou), Ltd. (Suzhou, Jiangsu Province, P.R.C.)



Design, manufacturing and sales base for clinical analyzers and analytical instruments in China

Countries and Regions Where We Operate

27 countries/regions

(As of October 1, 2021)

Americas
5 countries/regions
(8 companies)

Europe
11 countries/regions
(7 companies)

Asia
8 countries/regions
(20 companies)

Japan
(12 companies)

Other Regions
2 countries/regions
(1 company)

Main Bases in Japan with Core Technologies

Naka Division (Hitachinaka-shi, Ibaraki Prefecture)



- Electron beam technology
- Sensor technology
- Spectroscopic analytical technology
- Optical technology

A Hitachi High-Tech Group core factory that develops and manufactures electron microscopes, CD-SEMs, defect inspection systems, clinical chemistry and immunodiagnostic analyzers and DNA sequencers based on electron beam technology and spectroscopic analytical technology

Kasado Division (Kudamatsu-shi, Yamaguchi Prefecture)



- Plasma technology
- Vacuum control technology

Develops and manufactures etch systems enabling low-damage processing with high precision at the atomic and molecular level using plasma technology and vacuum control technology cultivated over many years

Fuji Oyama Works, Hitachi High-Tech Science Corporation (Sunto-gun, Shizuoka Prefecture)



- X-ray technology
- Ion beam technology
- Probe technology
- Temperature control technology, etc.

Develops and manufactures measurement and analytical instruments that contribute to a wide range of industrial fields, universities and research institutes through new technologies, product development, quality control, environmental preservation and more

Hitachi High-Tech Fine Systems Corporation (Kodama-gun, Saitama Prefecture)



- Optical technology
- Image processing technology

Develops and manufactures railway inspection equipment for accurate measurement of high speeds and automated assembly for industrial use and inspection equipment for automotive uses through core technologies such as optical technology and image processing technology

For a Sustainable Society

Addressing Materiality is essential for achieving sustainable growth that enables us to help resolve social issues and contribute to our customers

Hitachi High-Tech Group has identified five themes of Materiality, which are priority issues for resolving social issues. Our Materiality topics are based on the SDGs,* a set of shared international rules and targets to be achieved in the 21st century.

We identified Materiality based on the premise that environmental conservation is central to the health of society and our business. The products and services we provide are essential in fields including the environment, biotechnology and healthcare, information and communications, and social infrastructure. By continuing to expand our businesses in these fields, we will contribute to society and our customers while laying a path for our own substantial growth. Initiatives in the five Materiality areas are crucial to our growth and to the continual enhancement of corporate value.

* Sustainable Development Goals: Adopted by the United Nations General Assembly in September 2015, the SDGs are global objectives for resolving social issues to be achieved by 2030, and comprise 17 goals in different areas and 169 targets.



Please refer to our website for details about CSR and related outcomes.
<https://www.hitachi-hightech.com/global/about/csr/>



Hitachi High-Tech Group Materiality



Contributing to a sustainable global environment

We target sustainable consumption and production by providing environmentally conscious products and services and implementing initiatives that encompass the entire value chain.

- Specific Actions
- Formulate and execute plan to reduce CO₂ emissions from business activities
 - Curb the volume of waste generated by using eco-design for our products



Establishing a sound management foundation

We improve the effectiveness of our corporate governance to increase long-term corporate value and to be a company that is trusted and needed by society.

- Specific Actions
- Enhance corporate governance by improving the effectiveness of the Board of Directors
 - Firmly instill a safety-first mentality through activities to further enhance product safety
 - Hold briefings for business partners to realize a CSR-based supply chain



Contributing to healthy, safe, secure lives

We contribute to a future where people can continue to live healthy and fulfilling lives, centered on the three fields of medicine, water/food, and social infrastructure.

- Specific Actions
- Contribute to an increase in the number of people who receive health checkups by providing devices and services that reduce the amount of specimens and reagents and speed up testing
 - Manufacture and sell equipment that detects hazardous substances to water, food and the human body



Developing and utilizing diverse human resources

We recognize human resources as a core management resource, and foster reform-minded people who generate continuous innovation.

- Specific Actions
- Create an organization where diverse people can actively participate and thrive, thereby leading to innovation
 - Continue to carry out diverse education and training to develop human resources
 - Conduct initiatives for an accident-free workplace



Contributing to the sustained development of science and industry

We contribute to the sustained development of science and industry by making the most of Hitachi High-Tech Group technology and raising its sophistication to help improve productivity and product quality.

- Specific Actions
- Help resolve social issues such as the loss of interest in science, develop future scientists, and advance science and technology
 - Realize business process reforms for manufacturers with solutions that use cutting-edge digital engineering technologies

Please refer to our website for details about Materiality and related outcomes.
<https://www.hitachi-hightech.com/global/about/csr/materiality/>



Environmental Management

We are enhancing manufacturing and environmental management to reduce environmental impact.

The Hitachi High-Tech Group is focusing on the impact of climate change and promoting activities linked to our business processes with the highest priority on reducing greenhouse gas emissions.

We are helping to reduce CO₂ emissions throughout the value chain through initiatives that include improving energy efficiency by switching to renewable energy for electricity at our business sites, production process reforms, and new product development processes built around the principles of eco-design and life cycle assessment.

Endorsement of TCFD¹ Recommendations

We continue to identify climate change risks and opportunities, and implement corresponding countermeasures. In particular, we promote initiatives related to management strategies and risk management to address climate change risks.

1. Task Force on Climate-related Financial Disclosures: An organization that encourages companies to disclose information on climate change-related risks and opportunities.

Realizing a Decarbonized Society

We are targeting zero CO₂ emissions by FY2030 by making the shift to renewable energy for electricity at domestic manufacturing sites a top priority, and by electrifying cargo handling facilities and switching to electric and hybrid vehicles. We are also advancing global programs that include reducing CO₂ emissions at overseas sites.

We have also established our Environmental Investment Guidelines, and are transitioning to investments in highly cost-effective initiatives. At the same time, we are proactively introducing an internal carbon pricing² system and are saving energy by rationalizing manufacturing processes. In addition to reducing the environmental impact of the Hitachi High-Tech Group, we are reducing the environmental impact of customers through product development that incorporates eco-design.

2. Internal carbon pricing: A system in which a company places a price on its own carbon emissions in order to quantitatively clarify the impact on current and/or future business activities and to facilitate strategic decision-making, based on the premise that addressing climate change will present both costs and opportunities.

Realizing a Recycling-Oriented Society

We are reducing the amount of waste generated in our business activities, maximizing waste recycling, and promoting resource recycling. In addition, we are using water more efficiently by enhancing productivity and reducing water consumption by upgrading to water-conserving equipment. We also assess water stress and water risk at locations in Japan every year.

Targeting the realization of a recycling-oriented society, we mitigate risk by recycling resources and regularly conducting evaluations.

Realizing a Society in Harmony with Nature

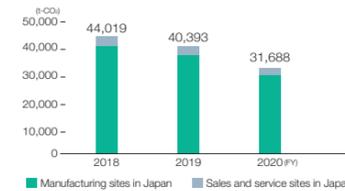
The Fuji Oyama Works of Hitachi High-Tech Science (Sunto-gun, Shizuoka Prefecture) has forested land approximately 44,000 m² in area that has been named the Woodlands of Hitachi High-Tech Science. We have been conducting activities continuously with the aim of working as a member of the local community to realize harmony with nature as well as to restore the forest to what it used to be under the traditional *satoyama* system of managing natural resources in the local environment as a part of the everyday lives of people living there.

Please refer to our website for details about activities and outcomes related to environmental management.
<https://www.hitachi-hightech.com/global/about/csr/environment/>

Lumione BL-2000 analyzer for rapid testing of microbial content that incorporates eco-design



Volume of CO₂ Emissions in Japan



Volume of Water Consumption in Japan – Improvement Rate per Unit



Volume of Waste Generated in Japan – Improvement Rate per Unit



The Woodlands of Hitachi High-Tech Science tree-planting event



Human Resource Management

We maintain a work environment that accommodates various work styles to develop and retain people who generate continuous innovation.

We need people with diverse sensibilities and perspectives to quickly identify and address the opportunities and risks that arise as the social landscape changes. Moreover, given that the Hitachi High-Tech Group serves cutting-edge fields, it is increasingly vital to secure highly skilled talent with robust knowledge and experience to promote innovation.

Therefore, the Hitachi High-Tech Group is fostering a corporate culture that enables employees to think flexibly and share opinions proactively by training them to compete globally and by promoting diversity management. We are also reforming working styles and focusing on developing and retaining talented people who have flexible ideas and advanced technical abilities and skills.

External Evaluation



2021 Certified Health & Productivity Management Organization (Large Enterprise Category)



New Diversity Management Selection 100



“Eruboshi” Certification Based on the Act on Promotion of Women’s Participation and Advancement

Training People to Compete Globally

We have training programs that actively post young employees overseas to quickly develop people with a global perspective. Other programs include globally standardized core training for employees of overseas subsidiaries so that they can excel as global professionals.

In addition, the Group’s high-tech products such as semiconductor production equipment and analyzers are backed by cutting-edge technology development and the highest standard of engineering skills. As part of our initiatives to nurture engineers, we have taken on the challenge of entering the annual National Skills Competition and the National Abilitylympics (vocational skills contest for persons with disabilities) for many years, and have produced many medalists in national and world competitions.



Developing young engineers through the challenge of the Skills Competition

Initiatives to Reform Working Styles

We create a lively work environment where people with diverse values are empowered to make the most of their abilities, thereby enhancing productivity and creativity, while also improving employee satisfaction and invigorating our organization. In addition, improving productivity makes more time available for self-improvement and other actions that create a virtuous cycle in which employees and the Group can grow together.

We are reforming working styles to improve work-life balance. By introducing a free address system at the head office, reviewing the dress code, energetically employing telework systems that allow employees to work remotely, and encouraging employees to take paid leave, we are creating an environment in which employees can work comfortably with well-balanced work styles.



The new head office

Promoting Diversity Management

The Hitachi High-Tech Group respects diverse sensibilities and values and is working to incorporate them as one of its major initiatives to achieve growth based on the commitment of top management, by placing “diversity management,” which will lead to a more dynamic organization, at the core of our management. This is the basis for key initiatives to generate growth along with a focus on fostering a corporate culture and enhancing mechanisms that empower all employees to fulfil their potential.

We approach the employment of people with disabilities from the perspectives of both diversity and corporate social responsibility. In this regard, we obtained “affiliated company group certification” of Hitachi High-Tech Support Corporation as a special subsidiary company, and we exceed the statutory rate for employment of people with disabilities. We also take active measures to enhance the skills of employees with disabilities, and many employees have successfully competed in the Abilitylympics.



LGBT Lecture

Please refer to our website for details about activities and outcomes related to human resource management.
<https://www.hitachi-hightech.com/global/about/csr/social/>



Corporate Governance

We are further improving the effectiveness of governance to increase long-term corporate value, while enhancing our internal control system to be a company that is trusted and needed.

The Hitachi High-Tech Group regards events or problems that may significantly interfere with the achievement of its business goals as risks. The Group has developed a system for detecting and controlling risks appropriately with the aim of increasing corporate value. In addition, to be a company that all stakeholders trust, the Group emphasizes ethics and integrity and puts right and wrong over profit and loss, and ensures rigorous compliance. We are also strengthening information security to prevent the leakage of business, technological and personal information.

Risk Management System

Risks involving the Group's transactions, investments, M&A and other business activities are prevented and controlled through deliberations by its Board of Directors, Executive Committee and other bodies, and through the approval process based on the Rules of the Board of Directors and the Decision-Making Standards, etc.

Furthermore, the Company has established Risk Management Rules governing operational risks and has developed a system where responsible divisions detect and control operational risks appropriately. Operational risks are risks involving legal and regulatory compliance, including prevention of bribery, antitrust laws, and prevention of antisocial transactions, as well as risks involving labor, intellectual property, imports and exports, procurement, sales, information security, financial reporting, the environment, quality and safety etc. With regard to operational risks, the Internal Control Management Committee, chaired by the Chief Risk management Officer (CRO), oversees its subcommittees, namely, the J-SOX Committee, the Compliance Committee, the Information Security Committee and the Environmental Committee. The subcommittees issue instructions to responsible divisions on measures to address and prevent the respective operational risks for which each committee is responsible.

The Company is also moving forward with efforts to strengthen business continuity management (BCM).

Compliance

Legal and regulatory violations or incidents of misconduct have the potential to contravene the Group's basic philosophy of being trusted by all stakeholders and may severely damage corporate value. The Group therefore sees thorough compliance (complying with laws, company rules, social justice, public order, and standards of decency, etc.) as the premise for all business activities. Our approach is founded on steady judgement and conduct based on ethics and integrity, and on putting right and wrong over profit and loss. Relevant initiatives include the operation of an internal reporting system and the implementation of compliance education and awareness-raising activities for employees to promote compliance throughout the Group.

Information Security

The Group prioritizes initiatives to maintain information security, and has developed regulations and organizations to facilitate the implementation of these initiatives and ensure awareness among all employees. The Information Security Committee was established to promote information security management systems. It conducts a range of activities that bring together Group management and employees in accordance with the Three Principles to Prevent Leakage of Confidential Information.

 Please refer to our website for details about activities and outcomes related to corporate governance.
<https://www.hitachi-hightech.com/global/about/csr/governance/>



Supply Chain Management

We build positive collaborative relationships with suppliers and partners, while working to maintain and enhance mutual understanding and relationships of trust.

The Hitachi High-Tech Group has adopted "Maintain Procurement and Strengthen Product Cost Competitiveness to Prevail against Global Competition, Based on Collaborative Relationships with Partners" as a key basic policy of its procurement strategy. To this end, we are focusing on "Strengthening procurement risk management," "Strengthening product cost competitiveness," and "Rigorously enforcing procurement compliance." We aim to make products that are competitive by unifying global strategies, product strategies and the building of robust supply chains.

Strengthening Procurement Risk Management

To manage partner procurement quality risks, we sign agreements on quality control items with partners and monitor quality level through assessments. In addition, supplier recommendation scores are reviewed by item every year and compiled in a database, which is shared with design departments. This enables us to manage partner quality and risk at the product development stage.

Strengthening Product Cost Competitiveness

We work to build costs into products through cost design together with partners, beginning at the product conception stages, through planning and prototyping. Our goal is to focus resources on product development and to consistently launch new products ahead of competitors at all times. Based on the cutting-edge technologies and product proposals of each partner, we achieve our targeted cost by the start of mass production, thereby optimizing the functionality and performance of our products and strengthening cost competitiveness.

Rigorously Enforcing Procurement Compliance

We position the rigorous enforcement of compliance as the foundation of all our corporate business activities. As with procurement activities, we will endeavor to build good partnerships with our partners by adopting the principle of putting right and wrong over profit and loss as our decision-making criteria, striving to maintain and enhance mutual understanding and relationships from a long-term perspective. In addition, we will not only fulfill social responsibilities such as excluding child labor and the purchase of conflict materials, but also strive rigorously to prevent all manner of misconduct and enforce legal and regulatory compliance in procurement activities.

Promoting Procurement Tailored to Environmental CSR

The Hitachi High-Tech Group conducts green procurement, which gives priority to environmentally friendly items when purchasing products, components and materials. We provide encouragement and support to our partners to ensure that they actively engage in environmental conservation activities by certifying and registering them as green suppliers, among other measures. We also promote CSR procurement activities by holding supplier briefings to disseminate information and share awareness of CSR.



Supplier briefing (Naka Division)

 Please refer to our website for details about activities and outcomes related to supply chain management.
<https://www.hitachi-hightech.com/global/about/csr/social/partner/>



Communication with Local Communities

The Hitachi High-Tech Group builds relationships of trust with local communities and works to raise recognition of the Group, which enhances brand value and helps to secure human resources.

We base our social contribution activities on our Materiality with the goal of helping resolve social issues through actions linked to our businesses.

Our activities are aimed at helping to resolve social issues including the loss of interest in science and changes in the ecosystem. We also contribute to local culture through support for science education that leverages the technology and products that we have cultivated through our business, and through unique social contribution activities that leverage the skills and knowledge of our employees. That, in turn, helps us build relationships of trust with our stakeholders, increase corporate value, and secure talented people.

Supporting Science Education

We conduct activities to support science education, using Hitachi High-Tech Group's own tabletop electron microscopes. We aim to stimulate children's interest in science and technology by providing opportunities to observe everyday specimens on a microscopic scale, and to help resolve issues in school education such as the loss of interest in science. We support a range of educational events, such as on-site lessons for elementary and junior high schools in Japan and around the world as well as exhibitions at science museums. In addition, we are enhancing our activities by starting on-site lessons using remote observation techniques.

Outside Japan, local Japanese schools and national staff conduct on-site classes at schools for local children.

We will contribute to the development of the next generation of scientific researchers by building cooperative ties with various organizations to firmly establish our activities.



Supporting science education using electron microscopes

Local Contribution

Based on the desire to be a needed local presence as a corporate citizen, we build solid relationships by contributing to communities through our business activities and deploying resources to help communities resolve issues and develop. In addition, our ongoing communication with communities and stakeholders helps them better understand our corporate activities and enhances our brand value.



Sports promotion activities by the Cougars

Hitachi High-Tech Cougars is a team that plays in the Women's Japan Basketball League (W League). In the years since its founding in 1961, when the Naka Works (currently Hitachi High-Tech Co., Ltd.) was established in Hitachinaka, Ibaraki Prefecture, the team has made basketball a sport that is symbolic of the Group, backed by the support of employees. The team holds basketball classes at nearby nursery schools and basketball workshops for elementary and junior high school students throughout Japan, and energetically participates in activities to interact with local people and contribute to the promotion of regional sports.



Please refer to our website for details about activities and outcomes related to communication with local communities.
<https://www.hitachi-hightech.com/global/about/csr/social/community/>



Global Network (As of October 1, 2021)

Japan	<p>Hitachi High-Tech Corporation</p> <p>Group Sites in Japan</p> <p>Head Office (Tokyo) Chubu Branch Office Hokkaido Branch Office Yokkaichi Sales Office Tohoku Branch Office Kansai Branch Office Naka Division Osaka Solution Laboratory Naka Science Laboratory Kasado Division Naka-Marine Site Kyushu Branch Office Hitachinaka Sales Office Omuta Center Tochigi Sales Office Tokyo Technical Center Tokyo Solution Laboratory Harumi Office</p> <p>Domestic Group Companies</p> <p>Hitachi High-Tech Solutions Corporation Hitachi High-Tech Nexus Corporation Hitachi High-Tech Support Corporation Hitachi High-Tech Fielding Corporation Hitachi High-Tech Fine Systems Corporation Hitachi High-Tech Manufacturing & Service Corporation Hitachi High-Tech Science Corporation Hitachi High-Tech Kyushu Corporation Giesecke & Devrient Kabushiki Kaisha Chorus Call Asia Corporation NeU Corporation</p>
-------	---

Europe	<p>Hitachi High-Tech Europe GmbH Hitachi High-Tech RUS Limited Liability Company Hitachi High-Tech Ireland, Limited Hitachi High-Tech Analytical Science Ltd. Hitachi High-Tech Analytical Science GmbH Hitachi High-Tech Analytical Science Finland Oy VLC Photonics, S.L.</p>
--------	---

Americas	<p>Hitachi High-Tech America, Inc. Hitachi High-Tech Science America, Inc. Hitachi High-Tech Analytical Science America, Inc. Applied Physics Technologies, Inc. MagArray, Inc. Hitachi High-Tech Canada, Inc. Hitachi High-Tech Mexico, S.A. de C.V. Hitachi High-Tech do Brasil Ltda.</p>
----------	--

Asia	<p>Hitachi High-Tech (Singapore) Pte. Ltd. Hitachi High-Tech IPC (Malaysia) Sdn. Bhd. Hitachi High-Tech (Thailand) Ltd. Smart Factory & Services Holdings (Thailand) Co., Ltd Hitachi High-Tech Amata Smart Services Co., Ltd. PT. Hitachi High Tech Indonesia Hitachi High-Tech India Private Limited Hitachi High-Tech (Shanghai) Co., Ltd. Hitachi High-Tech Diagnostics (Shanghai) Co., Ltd. Hitachi High-Tech Hong Kong Limited Hitachi High-Tech (Shenzhen) Co., Ltd Hitachi High-Tech Analytical Science Shanghai Co., Limited Hitachi High-Tech Korea Co., Ltd. Hitachi High-Tech Taiwan Corporation Hitachi Instrument (Suzhou), Ltd. Hitachi Instruments (Dalian) Co., Ltd. Hitachi Instruments (Shanghai) Co., Ltd. Changzhou KTH International Trading Co., Ltd. Hitachi High-Tech Scientific Solutions Co., Ltd. Hitachi High-Tech Scientific Solutions (Beijing) Co., Ltd.</p>
------	---

Middle East	Hitachi High-Tech Israel, Ltd.
-------------	--------------------------------

Company Overview (As of October 1, 2021)

Trade Name	Hitachi High-Tech Corporation	Paid-in Capital	7,938,480,525 yen
Representative	Takashi Iizumi, Representative Director, President and Chief Executive Officer	Number of Employees	Consolidated: 12,276 Non-consolidated: 4,586 <small>(As of March 31, 2021)</small>
Headquarters Location	Toranomon Hills Business Tower, 1-17-1 Toranomon, Minato-ku, Tokyo 105-6409, Japan Phone: +81-3-3504-7111	Network	Countries/Regions of Operation: 27 Japan: 12 companies Overseas: 36 companies
Established	April 12, 1947		

Management Team (As of October 1, 2021)

Directors

Hidenobu Nakahata Chairman of the Board	Akira Ietsugu Director	Takashi Iizumi* President and Chief Executive Officer	Hidetoshi Miura* Senior Vice President and Executive Officer CLBO, General Manager, Lumada Business Promotion Div., Deputy General Manager, Industrial Solution Business Group, and President, Hitachi High-Tech Solutions Corporation
Takashi Iizumi Representative Director and President	Masahiro Taniguchi Director	Joji Honda* Executive Vice President and Executive Officer Deputy General Manager, Digital Transformation Project, and President, Hitachi High-Tech Fine Systems Corporation	Kazuo Karasawa Senior Vice President and Executive Officer General Manager, Industrial Solution Business Group
Joji Honda Representative Director	Masahiko Hasegawa Director	Shinji Sakurai* Senior Vice President and Executive Officer CFO, General Manager, Accounting & Finance Div., and Deputy General Manager, Digital Transformation Project	Yoshimitsu Takagi Vice President and Executive Officer General Manager, Analytical & Medical Solution Business Group
Hidetoshi Miura Director	Yoshiaki Kagata Director	Futoshi Ishiwa Senior Vice President and Executive Officer General Manager, Nano-Technology Solution Business Group	Atsushi Takane Vice President and Executive Officer CTrO and General Manager, Corporate Manufacturing Business Group
Shinji Sakurai Director			Masahiro Taniguchi* Vice President and Executive Officer, CDO, CMO, and General Manager, Digital Transformation Project

Executive Officers * Concurrently serves as Director

Audit & Supervisory Board Members

Kazuhiro Sunayama Audit & Supervisory Board Member	Ryuichi Nakashima Audit & Supervisory Board Member
---	---

Akira Ietsugu* Vice President and Executive Officer CHRO, CRO, and General Manager, Human Resources & General Affairs Div.
--

Hitoshi Kato Vice President and Executive Officer CSO and General Manager, Corporate Strategy Div.
--

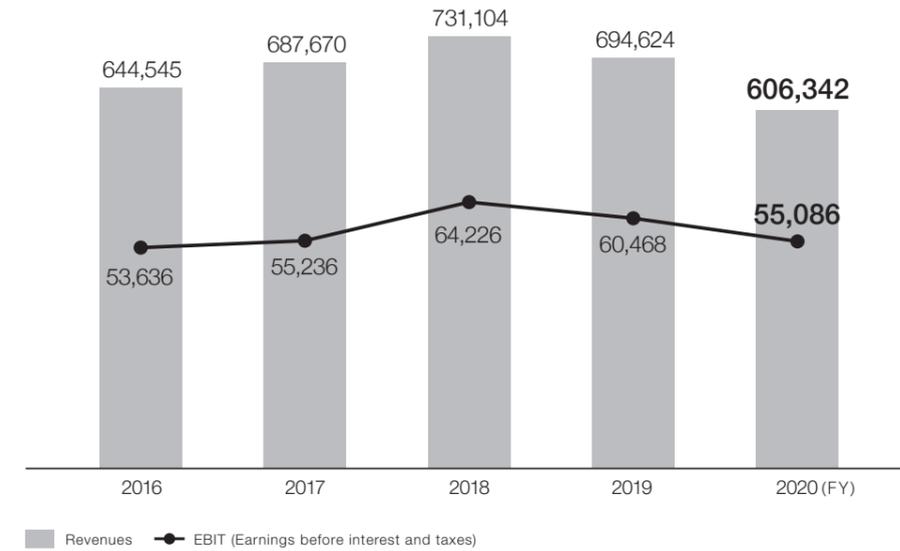
Keita Miyoshi Executive Officer Chairman, Hitachi High-Tech Korea Co., Ltd.

Osamu Komuro Executive Officer Deputy General Manager, Nano-Technology Solution Business Group
--

<p>CLBO: Chief Lumada Business Officer CFO: Chief Financial Officer CHRO: Chief Human Resources Officer CRO: Chief Risk management Officer CSO: Chief Strategy Officer CTrO: Chief Transformation Officer CDO: Chief Digital Officer CMO: Chief Marketing Officer CTO: Chief Technology Officer</p>

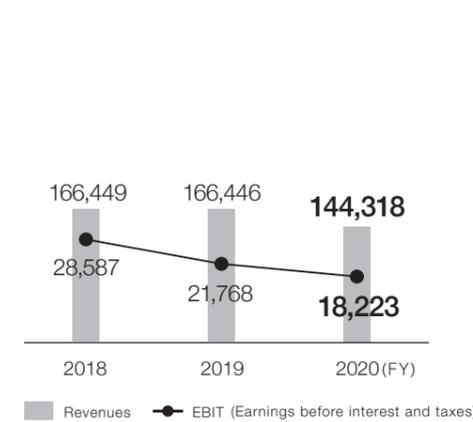
Financial Information (Consolidated)

Revenues and EBIT (Millions of yen)

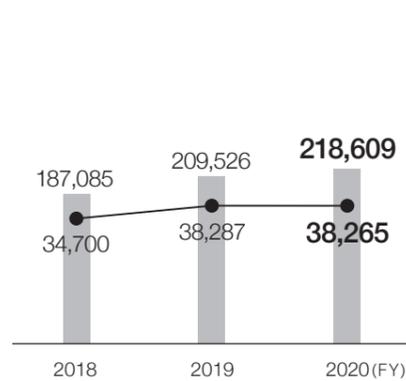


Revenues and EBIT by Segment (Millions of yen)

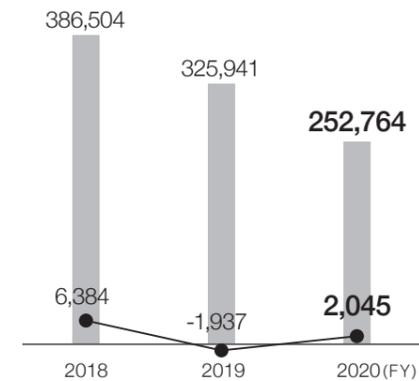
Analytical & Medical Solutions



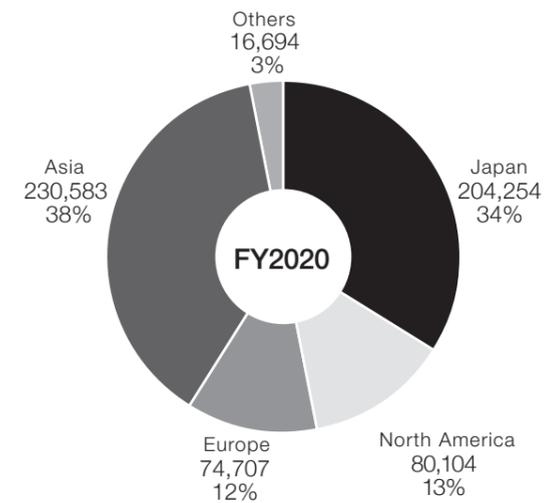
Nano-Technology Solutions



Industrial Solutions



Revenues by Region (Millions of yen)



Consolidated Statement of Financial Position (Millions of yen)

FY2020 (As of year-end March 31, 2021)

Assets		Liabilities	
Current assets		Current liabilities	
Cash and cash equivalents	122,398	Trade payables	105,660
Trade receivables	132,866	Income taxes payable	3,080
Inventories	147,123	Contract liabilities	26,098
Advance payments trade	1,917	Other current liabilities	53,544
Other current assets	43,002	Total current liabilities	188,382
Total current assets	447,306	Non-current liabilities	
Non-current assets		Retirement and severance benefits	19,843
Property, plant and equipment	109,014	Other non-current liabilities	15,331
Intangible assets	22,648	Total non-current liabilities	35,174
Other non-current assets	42,722	Total liabilities	223,556
Total non-current assets	174,384	Equity	
Total assets	621,689	Hitachi High-Tech Corporation stockholders' equity	
		Common stock, Capital surplus, and Retained earnings	375,126
		Accumulated other comprehensive income	22,016
		Total Hitachi High-Tech Corporation stockholders' equity	397,142
		Non-controlling interests	991
		Total equity	398,133
		Total liabilities and equity	621,689

Consolidated Statement of Profit or Loss (Millions of yen)

FY2020 (April 1, 2020 to March 31, 2021)

Revenues	606,342
Cost of sales	(432,539)
Gross profit	173,803
Selling, general and administrative expenses	(119,093)
Adjusted operating income	54,710
Other income	1,401
Other expenses	(1,113)
Operating income	54,998
Financial income	267
Financial expenses	(613)
Share of profits of investments accounted for using the equity method	434
EBIT (Earnings before interest and taxes)	55,086
Interest income	294
Interest expenses	(163)
Income before income taxes	55,217
Income taxes	(12,700)
Net income	42,517
Net income attributable to:	
Hitachi High-Tech Corporation stockholders	42,232
Noncontrolling interests	285
Total	42,517

Note: The Company voluntarily applies International Financial Reporting Standards (IFRS).